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DEPARTMENT OF LABOUR, CANADA

HON. G. D. ROBERTSON, MINISTER OF LABOUR

BULLETIN No. 2

INDUSTRIAL RELATIONS SERIES

Report of a Conference on Industrial Relations

HELD AT OTTAWA

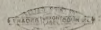
FEBRUARY 21st and 22nd, 1921



Issued as a Supplement to the LABOUR GAZETTE

MARCH, 1921

PRINTED BY THOMAS MULVEY, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY
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INTRODUCTION

The present bulletin comprises a report of the proceedings of a Conference on the subject of Industrial Relations which was held in the Parliament Buildings, Ottawa, on February 21-22, 1921. This Conference was called by Senator the Honourable G. D. Robertson, Minister of Labour, and was attended by representatives of a number of the larger employing companies in Canada which have established Joint Councils with their employees. The spokesmen for the respective employers were for the most part company officers in charge of industrial relations. The addresses dealt in the main with the experience of Industrial Councils which had already been gained by these companies. Two of the companies represented at the Conference have not yet established Joint Councils but are understood to have the subject under consideration. In addition to the delegates from the various Canadian companies in attendance at the Conference, Mr. A. H. Young, of Chicago, Manager of Industrial Relations of the International Harvester Company, and Mr. Cyrus Ching, of New York, Supervisor of Industrial Relations of the United States Rubber Company, were also present by invitation and participated in the proceedings of the Conference.

The present report of the proceedings is published in the belief that the information presented will be of interest and service to other employers and also to employees.

The following were in attendance at the Conference: Senator the Honourable G. D. Robertson, Minister of Labour, Mr. F. A. Acland, Deputy Minister of Labour; Mr. Gerald H. Brown, Assistant Deputy Minister of Labour, (Chairman); Messrs. Harry Hereford, Industrial Engineer; E. McG. Quirk, T. A. Stevenson, and F. E. Harrison, of the Department of Labour; Mr. A. H. Young, Manager of Industrial Relations, International Harvester Company, Chicago; Mr. Cyrus Ching, Supervisor of Industrial Relations, United States Rubber Company, New York; Mr. J. H. Coffey, Jr., Factory Manager, Gutta-Percha and Rubber, Limited, Toronto; Mr. F. L. Riggs, Supervisor of Industrial Relations, Gutta-Percha and Rubber, Limited, Toronto; Mr. P. F. Sinclair, in Charge of Industrial Relations, Imperial Oil, Limited, Toronto; Mr. G. L. Thompson, Imperial Oil, Limited, Toronto; Mr. F. J. Gernandt, General Superintendent, International Harvester Company of Canada, Limited, Hamilton; Mr. F. T. Day, Secretary, Works' Council, International Harvester Company of Canada, Limited, Hamilton; Mr. H. H. Stedman, Superintendent, Swift Canadian Company, Toronto; Mr. R. M. Olzendam, Secretary, Department of Industrial Relations, Spanish River Pulp and Paper Mills, Ltd., Sault Ste. Marie; Mr. George Valentine, Assistant General Manager, Massey-Harris Company, Limited, Toronto; Mr. Wills MacLachlan, Consulting

Engineer, Toronto; Mr. Wm. M. Gray, Vice-President and Assistant Manager, Gray-Dort Motors, Ltd., Chatham; Mr. John H. Frye, in Charge of Industrial Relations, Canadian Consolidated Rubber Company, Limited, Montreal; Mr. J. D. Jones, General Manager, Algoma Steel Corporation, Sault Ste. Marie; Mr. Frank J. McGue, Superintendent of Industrial Services Department, Algoma Steel Corporation, Sault Ste. Marie; Mr. W. H. Winter, General Superintendent of Plant, Bell Telephone Company of Canada, Montreal; Mr. E. Blake Robertson, Secretary, Canadian Manufacturers' Association, Ottawa; Mr. J. Clarke Reilly, Secretary, Association of Canadian Building and Construction Industries, Ottawa.

Report of Conference on Industrial Relations

Introductory Address by the Minister of Labour

Gentlemen, may I express my very deep appreciation of the trouble you have taken and the kindness you have displayed in accepting the invitation of the Department of Labour. I shall not make any extended remarks. I shall simply outline briefly what prompted us to extend the invitation to you to come here to confer with the officials of the Department of Labour.

The idea or desire of promoting more harmonious relations between employers and their workmen is not new in Canada or in many other countries; but during the period of the late war I think it became apparent to every one that it was absolutely imperative to the success of the undertaking in which the allied countries were engaged at that time, that special efforts should be made along this line. I know that early in 1918 this question first began to receive special consideration at the hands of the Canadian Government, and during that year some substantial progress was made in the way of at least laying the foundation for better relations and a better understanding between employers and workmen.

My observations and experience indicate most clearly that unless there is confidence between the two groups it is difficult if not impossible for an industry to succeed as it should and would succeed if that confidence existed. Modern industry, I think, to a very great extent realizes this, and as a result of keen observation and keen business foresight many employers of labour have come to the conclusion that this line of action is desirable from the standpoint of all concerned and is mutually beneficial.

In 1919, the Government of Canada appointed a Royal Commission on Industrial Relations, of which Chief Justice Mathers of Winnipeg was made Chairman. That Commission travelled throughout the entire country, and gave an opportunity to every person and every interest, whether they represented capital or labour or the consuming public, to come before them and express their views on industrial questions. One of the recommendations of that Commission was the promotion and encouragement of the establishment of joint industrial councils, with a view to promoting harmony and better relations between employers and employees.

In 1919, in keeping with one of the recommendations made by the Commission, a conference was called at Ottawa which was attended by some 200 gentlemen representing employers and workmen and the different provincial governments, municipalities, and so on. Some five days were spent, I think profitably, in discussing a number of important problems, such as the eight-hour day, unemployment insurance, industrial councils, and other subjects with which you are probably familiar. It was the general opinion of both the employers and the representatives of labour who attended that meeting that the conference had been useful, and they expressed the hope that it might be held annually. In 1920, as the fall approached, there were reasons why it did not seem possible to have another such conference: one was that, because of the turn in the tide, prices were beginning to drop, a business depression having set in, and a good many employers were feeling the stress and pressure of the changed conditions, and, on the other hand, labour was perhaps inclined to look forward with a great deal of apprehension to what was going to occur in the immediate future. So it was felt by some that perhaps it was not an opportune time for the holding of another con-

ference. Notwithstanding this, opinion was divided, and the policy of the Department being not to attempt to force its views or its desires upon anybody, but to attempt to be useful, to give if possible in promoting a plan that might be mutually advantageous and acceptable to those directly interested, and instead of calling a general conference such as might perhaps have resulted in some controversial discussion, which would seem to be undesirable or would perhaps shake that feeling of confidence and mutual respect that was so well established at our 1919 meeting, and still desiring to make progress along the lines of promoting goodwill between the workmen and their employers, we conceived the idea of calling together representatives of those industries which had taken a sufficiently deep interest in this most important question to personally and individually establish some form of industrial council within their own industries.

We are not unselfish in extending this invitation to you, and I may frankly tell you why: the Department of Labour has had no great experience in the past, and therefore does not feel that it or its officials can be regarded as final authorities upon the best methods of procedure or the most acceptable form of industrial council in any industry. The Department in the person of the Assistant Deputy Minister, Mr. Gerald H. Brown, has given special attention to the subject and Mr. E. McG. Quirk, of Montreal, who was an employer of labour for many years and has given evidence of being a broad, fair-minded, progressive man, together with Mr. T. A. Stevenson of Toronto, who has been a progressive labour leader for a number of years and who, during the war period, rendered valuable service to the Department of Soldiers' Civil Re-establishment, have been delegated to act as the Department's travelling representatives to give information to employers and to labour people throughout the country concerning Joint Industrial Councils.

These two gentlemen, while familiar with labour problems generally, have not had any great experience as yet in connection with this particular matter; therefore, we felt it would be useful to them and to the Department—and we hoped useful to you, gentlemen—to bring you together, so that the officials of the Department might get the benefit of your experience. In addition, the Department has an efficiency engineer of wide industrial experience in the person of Mr. Hereford. He has given special attention to this subject and has given assistance in connection with its problems.

I think, perhaps, I have outlined the purpose of our extending the invitation to you to be here to-day. I am hopeful that as a result of your deliberations, as a result of the expressions of experiences and views which you severally and collectively entertain, that all of you, as well as the officials of the Department, will feel that it has been profitable for us to have a conference of this sort. I think the missionary work, along proper, logical, sane lines, which can follow a meeting of this sort, will create an interest in the minds of many other large employers of labour in Canada in this subject, by reason of their coming in contact with you gentlemen, and when they realize that the firms with which you are employed deem it of sufficient importance to give it attention, it will set moving in their minds the advisability of taking a more active interest in the problem than they may have done up to the present time.

In addition to having their Canadian representative with us, we are especially favoured to-day in that Mr. Young, of the International Harvester Company, has come all the way from Chicago, to attend this conference; and I am sure the work which that enormous concern has been carrying on in the United States, as well as the information which Mr. Young has gained from the observation and experience of the operations of other large firms in that country, will be of great interest to us all. We are indebted to Mr. Young and to the International Harvester Company for sending him here.

It is not my purpose to take up your time at any great length. Mr. Brown, the Assistant Deputy Minister, has prepared some line of procedure as to the questions that it may be proper to bring before the meeting. We shall be glad to have you continue your session so long as you think it useful, and the officials of the Department of Labour will co-operate with you during your stay, and I certainly shall be here as much of my time as possible, because I appreciate your coming and want to gain the full advantage of all the information which it is possible to obtain from you.

Before sitting down, may I make one observation. I do not do it by way of any desire to create alarm, but we cannot shut our eyes to the fact that during the last few years in particular, there has been a growing sentiment among the wage-earners in all countries which is not conducive to harmonious relations with employers, nor to confidence on the part of the owners and investors of capital. When we look back over the last 40 or 50 years we see the spasmodic attempts that have been made in various parts of the world by revolutions or by the use of force, to confiscate property and take charge of industry. Heretofore, it has never been regarded seriously or as being a world menace; but to-day, as never before, there is an organized, world-wide effort, to bring into existence a situation such as has been the dream of some of our socialist theorists for years gone by. The socialist theory, as enunciated by Karl Marx, has, however, proved too slow a way of bringing about the millenium, and therefore within the past two years there has been set up what is known as the Third International, an organization which proposes by force of arms to destroy capital as rapidly as circumstances will permit. They think that before that can be done the international trade union movement throughout the world, which has for its object co-operation between the workman and the employer, must be destroyed.

I have at my office a volume which gives in detail the proceedings of the Second International Conference of the Communists which was held in Petrograd during July and August last, and which probably will become a public document before long. When it does so, the people of this country will realize very forcibly, that throughout this country, in many of our industrial centres to-day, the missionaries of that movement are carrying on their propaganda and are attempting in every way possible to discredit our existing institutions, industrial, political, and religious. There never was a time in the history of this country, in my humble opinion, when it was so necessary as now that the sane thinking, patriotic citizens of this country—either employers, or workmen, or anyone else—should see to it that nothing irrational and foolish occurs, but rather that in the interest of Canada itself as well as in the interest of the individual and of industries, we should seek to promote and inspire confidence instead of destroying it.

I am sure that you gentlemen who are giving your services to promote better relations between capital and labour have probably seen, even more clearly than I, the importance of what I have briefly tried to convey to you. I hope as a result of our meeting here that there may come a greater growth of confidence between the interests of capital, so-called, or those who have money invested in industry, and those who invest their services, because without both, neither can prosper.

I shall be glad now to receive suggestions or nominations for Chairman of your meeting during the session here.

It was moved by Mr. Young, seconded by Mr. Olzendam, that Mr. Brown take the Chair.

(THE MINISTER CONTINUING): I wonder, gentlemen, if we might not with profit spend this morning's session in a general discussion, assuming that at least one gentleman from each of the industries represented will briefly outline his experience and observation of the industry that he represents?

I think that information, as far as you feel free to give it, would be of very great interest to all of us. If there is no objection to that proposal, inasmuch as Mr. Young represents a very large industry, an industry that is an important one in Canada as well as in the United States, I am sure we would all be deeply interested in hearing from him as to the experience of the International Harvester Company and the success or otherwise which has accompanied their efforts in industrial council activities.

**Address of Mr. A. H. Young, Manager of Industrial Relations,
International Harvester Co., Chicago.**

Mr Chairman and gentlemen, in the first place, I think I express the unanimous sentiment of the group here when I say it was a very fortunate circumstance that delayed the conference from the fall of 1920 to the present date, if by that delay we are gaining your presence. As I listened to your statement I thought how fortunate Canada was to have as the director of her labour portfolio a man who has come from the ranks and who has just such a common horse sense view of things as you have. I am reminded of Cyrus Ching's definition of horse sense, which he says, after all, is "stable thinking."

The International Harvester industrial council plan will be two years old on March 12th next. The basis of it is a works council at each of the plants. The works council is composed of a number of elected employee representatives and a not greater number of selected management representatives. The plant was arbitrarily divided into geographical districts so that the various crafts and shops might be represented. An arbitrary basis of representation was adopted—one representative for each two to three hundred employees in the district. The reason for such an arbitrary arrangement was that two of our largest plants employ nearly 6,000 men and would have about 25 representatives, and when we considered the addition of an equal number of management representatives it was thought that a greater number than that would be unwieldy. At Chatham where we have only 200 employees, our ratio is much less than that, but in no plant are there less than five representatives.

Employee representatives must have had one year's continuous Company service; they must be at least twenty-one years old and citizens of the country; no employee having the power to hire or discharge is eligible; all employees below the grade of assistant foremen have the right to vote, irrespective of length of employment, citizenship, age or sex. The management group cannot be greater in number than the group of employee representatives. The chairman is the manager of industrial relations, or someone appointed by him. A secretary is appointed by the superintendent. Neither of these officers has more than a parliamentary function in the council.

The function of the works council is to shape the Company's policy in all matters of mutual interest—wages, hours, and matters which are regarded as controversial, as well as non-controversial subjects. It votes on the unit ballot plan, safeguarding the fifty-fifty arrangement for which the council stands. A majority of the employee representatives determine their action as a whole, and they cast a single ballot for that side. A majority of the management representatives determine their action as a whole, and they cast a single ballot for that side, thus no one has the power of casting a deciding ballot in such a case. This is a guarantee of absolute equality.

After the council agrees, its recommendations are forwarded to the superintendent for execution. The execution lies wholly with the management, but if the manner of execution is open to question, then the matter goes again to the works council, so you will see that it has both a legislative and judicial function.

There has never been any misunderstanding from the outset. The superintendent and his staff manage the plant, but they do it on a straight fifty-fifty basis; if any question is raised its determination lies with the works council. If the council deadlocks it is possible to re-open the discussion, and perhaps an alternative may be suggested. If it is still deadlocked there is direct appeal to the highest executive officer, the president.

There is a time limit placed upon the president within which to arrive at a decision—ten days—and the decision arrived at is put into effect within a further period of five days.

A general council may be called wherein the representation is made up of at least two employee representatives from each plant elected by the employee representatives in the local council, or one for each thousand employees. A general council meets at the call of the president, with a number of company officers not greater than the total number of employee representatives, and it functions as a works council except that its decision applies to all the plants represented in such a council. The employee representatives have a right to recess and withdraw and act secretly. Any one of them can return to his plant and discuss any question with the works council or with the employee representatives alone, or with the rank and file if he so desires, and then come back to the postponed council meeting, having had the benefit of direct consultation with his constituents.

If the president is unable to settle satisfactorily by his own action, or through a general council, any question referred to him, arbitration may be had by mutual agreement. It was thought desirable to make no restrictions and to take nothing away from the rights presently enjoyed by the employees; therefore, we adopted the plan of arbitration only in the event of mutual agreement between the men and the management.

If arbitration is agreed upon, it must be before a single disinterested non-partisan arbitrator. If no such person can be selected, each side selects one and the two select a third. The majority of the arbitrators rule, and their decision may be made retroactive.

I think the most significant statement I can make with reference to our experience is this: we began operating nearly two years ago, and at that time 19 of the plants in this country and in the States adopted the plan, only one rejecting it. Since then three other plants have accepted it—two of them industrial railroads owned by the Harvester Company, and the third a mill which had been burned down and resumed operations just a year ago. At the time when the council plan was submitted to secret ballots in that mill there were only 14 negative votes against the plan out of 250, showing a growing faith in the plan on the part of the employees. In nearly two years we have had 19 councils, and latterly 22, meeting regularly once a month and many times in special meeting. With a single exception they have agreed on all questions brought before them.

A year ago last June, at the Wisconsin Steel plant in Chicago, the Council came to a deadlock. Three days later the president met the representatives and made a compromise proposition. They withdrew for caucus and returned and said they found themselves unanimously in favour of accepting his proposition, but before doing so wished a recess of three days to consult their constituents. They consulted their constituents and then returned and said that every man

had thought it a fair proposition, and it was put into effect and has resulted in an increased morale very definitely expressed in an increased output in that shop.

I believe that the most significant fact in our experience is that this frank exchange of views—this getting around the council table and talking over matters of mutual interest before there is a crystallization of thought, has resulted in perfect agreement with this one exception.

Our council plan includes two points common to most other plans. One is the guarantee of no discrimination because of membership or non-membership in any labour organization, or because of race, sex, religious or political affiliations; and the second is the guarantee of independent action. If at any time any works council member feels that he is discriminated against because of his actions, as such, he may appeal directly to the president of the company for adjudication of his grievance. If he is not satisfied with that, and if he requests it, he must receive the benefit of arbitration before a single, disinterested, non-partisan arbitrator. We have never had such an appeal. There has never been a suggestion from an employee representative that he had been discriminated against. And yet I think it is all important that we should have such a guarantee, because, after all, we have found that our problem is not so much with the employee representatives or the council or the management representatives.

I think the advantage that has come to the management representatives through their direct intercourse with the representatives of the employees has been of far greater value to the company than it has been to the employees; but, if the plan is to be wholly successful, it is necessary not only to carry the works council into agreement but also for the employee representatives to carry their constituencies with them. That point has received a great deal of thought and care. We have made the position of works council-man dignified and important, and have enabled him to meet his constituents and consult with them so that the decisions arrived at in council may carry the shop.

I do not think any official of the Harvester Company would say that our plan is an unqualified success or a panacea or the ultimate solution; but we feel that it is a means to a desirable end and that we are on the right track.

For the first year and a half employment was continuous, wages were steadily increasing, and any matters which came up were easy of adjustment. Recently a change has come. The manufacturing programme has had to be decreased. We are now talking of shortened hours and decreased production, and with the general decline in the cost of living we will soon be face to face with the proposition of talking decreased wages as well. These things have been frankly discussed in council, and thus far there has been no indication of a discontinuance of the happy relations which have existed in the past. Nevertheless, I think before we would care to state that the works council plan was an unqualified success, we would want to complete the cycle on the downward as well as the upward trend. There is no cloud on the horizon, no fly in the ointment; it seems an assured fact that we can go through the cycle, because, after all, changes are necessary, and if the full facts can be shown to the employee representatives, and through them to the employees, there will be such an understanding of the matter as will lead to acceptance.

I note your allusion, Sir, to the situation in Russia, which is a matter of intimate concern to all of us. My own thought is this: while the Russian people three or four years ago may possibly have been as well cared for under the Czarist regime as they are to-day, yet they did not have the knowledge. They had things done for them and with them, but they had not themselves participated in the determination of their condition, and were not satisfied. It is a principle of basic psychology that we are only mildly interested in what others are doing

for us, or with us; but we are most interested in what we are doing for ourselves and by ourselves. If the Russian people could have arrived by actual participation at the condition in which they were under the Czarist regime, we would not have had the break which occurred. I believe that application of the works council idea is going to be a great factor in protecting our country from any revolution, any class conflict.

THE MINISTER OF LABOUR: I wish that every employer and wage-earner in Canada could have heard what we have listened to in the last twenty minutes. I am sure it would have been a profit to them and to Canada. We are indebted to Mr. Young for his kindness.

There are a number of gentlemen here representing different industries, and I want them to feel free to say anything they wish in connection with their own experience.

Address of Mr. Wm. M. Gray, Vice-president and Asst. General Manager, Gray-Dort Motors, Limited, Chatham.

Mr. Chairman: The attention of the management of Gray-Dort Motors Ltd., was first attracted to the action of Industrial Councils, Works Councils, Industrial Relationship Committees, etc., through reading various reports, from time to time, of the apparent success of some of the various industries who had adopted this plan in the States; and at a later date, a practical demonstration was given in our own town by one of the branch American industries which was located locally, adopting the plan in their plant, with the result that after a very careful and thorough investigation, we decided to adopt the plan of incorporating the best suggestions from those that had been brought to our attention. We were successful in this respect in getting a good set of by-laws, which appeared interesting; and therefore published in a special Christmas announcement to our employees our intention to at once adopt this plan.

Contrary to the usual procedure, we did not ask our employees to vote whether or not they should adopt same, but simply stated that we intended putting it into effect. A set of by-laws was immediately published, in concise book form, passed out to those in the organization, and the plan became operative.

The first nominations were called for Friday, January 9th, 1920.

At that time, the original plan called for the election of one representative on the employees' side, from each of the four divisions or plants, one executive to appear on the board for each of the employees elected, a secretary and a chairman; the secretary and chairman having no voting power in the meeting.

Following the nomination, the election was held on January 13th. There was not a great deal of enthusiasm displayed, and in lots of cases, the plan was not welcomed any too much but was looked upon by the majority with a good deal of indifference.

The first meeting was held on Friday, February 6, 1920, at 8 p.m. The chairman explained in detail, the reason for the Works Council and its future actions, stating that its procedure would be parliamentary, and that those making application to it for any redress or grievance, at any time, would be granted its full protection and immunity, from any ill-will or spite which might arise from petty executives, through having complaints lodged direct with the Council.

At this meeting, also, the ballot was cast to determine who should be the expiring members for the future term, as this was necessary according to the by-laws.

A special meeting was called for February 26, 1920, at which a number of changes were inaugurated, one being that the by-laws were changed to include American citizens in our franchise rights, so they could become eligible to be members of the Council. This action was taken, through their being just as loyal and efficient in our service, though previously debarred by the word "foreigner" in our by-laws.

Also, our main plant was given permission to increase its employees' members by two, as they were not adequately represented, according to the number employed in that plant.

In April, a very serious fight for supremacy developed between the union forces who were organized in the district, and the Works Council. Numerous interesting discussions were held from time to time, and members of the union forces were invited to attend the Works Council meetings; and the Works Council had to put up a real fight, battling for its very existence. But, omitting further details, we were fairly successful in passing a resolution endorsing the Works Council, which resolution was as follows:

That the employees of the Gray-Dort Motors] Ltd. back their Works Council with their unqualified support for the purpose of giving it an opportunity to demonstrate its ability to cope with all industrial situations, such try-out to be at least for a period of one year from its inception, January 1st, 1920, to the absolute exclusion of all other organizations. This resolution carried by ten for and one against.

In August, a special meeting was called, at which an explanation was given by the management, of the forthcoming industrial crisis; and after a great deal of interesting data had been presented, the Works Council unanimously passed a resolution which is as follows, and which is self-explanatory:

That the Company reduce their building schedule to 15 cars per day. That a general reduction of 5 per cent on all existing piece work and day work rates be made with the exception that all day rates of 50c. or under remain as at present, also the Superintendents at their discretion to adjust the higher piece work prices. This is to be effective September 1, 1920

At the September meeting, it was found that a great deal of the time of our Works Council members was taken up by complaints which were sometimes presented to them during working hours by the other employees; therefore, the management decided that, in order that no personal sacrifices be made, in carrying out the routine duties, each member receive the sum of \$5 per month as an indemnity against such lost time, which they received monthly thereafter.

The question was brought up as to the best time of the day to hold the meetings. The meetings were originally held in the evenings; they were changed to the afternoon, following dinner, and then back again to the evening; and at the present time they are being held between five and six-thirty in the afternoon. Up to the present, this is found to be the most practical time and suits the men best as they do not have to come back after supper, and they are still quite able to accomplish their work, as the factory closes at five o'clock. In cases of any special quantity of work to be taken up, it is necessary, of course, to revert to the evening meeting.]

There are of course a great many details that come in the activities of the Works Council, which are very petty in lots of ways, and sometimes try sorely the patience of those in charge. But if these are met fairly and squarely, reasoned out and explained, there is yet to come, in our experience, a condition that we cannot face, because the most surprising thing of all is that most of the things brought up at these meetings were just as much, if not more, to the benefit of the management than to the men.

The following are a few of the things which have been handled by the Council: Numerous times improved tools and labor saving devices have been suggested by the Works Council. The pay days were changed from bi-monthly to every alternate Friday. Preference was given to employees laid off at one plant, and seeking work at another plant, under the same management. Girls were protected from working overtime, by the installation of additional machines. Considerable saving made in scrap material, which was formerly wasted. Safety-First Committee did valuable work in the improvement of dangerous machinery. The Housing question was investigated. A Sick Benefit Association was formed. A Welfare Division was inaugurated. A wage reduction resolution was passed by the Council. Minimum rates were set by the Council. Ventilation in bad parts of the factory was improved. These, briefly, are some of the bigger activities that the Council have undertaken in the past.

I have explained the history and operation of the Gray-Dort Works Council up to the present time, and the majority of the employees now stand back of it with their utmost support. It is not a panacea for all ills, it is not a miracle worker; but it is an excellent plan to bind an organization together, as nothing else will, and help to reach that goal which labourers, manufacturers and employers would like to arrive at some day, namely, an ideal working condition. And, it attempts to reach this condition, not so much by battling with the condition, as by trying to remove the cause that made the condition.

In addition to our own, there are two or three other industries in Chatham that have works councils. Our Chamber of Commerce have had the foresight to see the benefit of works councils, and have formed an Industrial Relations Committee. This committee is the final court of appeal. If we cannot agree in our works council, we can take the matter in dispute to the Industrial Relations Committee of the Chamber of Commerce, which is composed of four of the directors of the Chamber of Commerce, and four of the plural (workers) members, who are given their membership by vote of the workmen in the different industries in the city. This committee is doing a valuable work. They canvassed our city a short time ago with a view of starting every manufacturer along this line. They were successful, I believe, in getting almost sixty per cent of the large industries signed up, and some have already adopted the scheme. This committee is doing a very valuable work from the Chamber of Commerce standpoint towards bettering conditions in our city.

I mention that because I feel that it is somewhat of an innovation and improvement. It provides the arbitrator, which so many of us would like to have, in case we come to the point of needing one.

THE MINISTER OF LABOUR: Are your employees organized? Are they members of the various trade unions?

MR. GRAY: I should judge that probably 35 per cent of them are organized in what they call the Aircraft and Automobile Union.

**Address of Mr. George Valentine, Assistant General Manager, Massey-Harris Co., Ltd.,
Toronto**

The Company which I represent has had an experience with Industrial Councils of a slightly shorter duration than that of the International Harvester Company and which has just been reported by Mr. Young. We have four councils, one representing each of four factories. They have been in operation since May of 1919. It might be considered that they came into being at a rather

trying time—just on the eve of the May-Day strike of that year. For some months previous to the formation of our Councils, our Directors and heads of departments had been working on the problem of the formation of a Constitution for councils. We had before us the Whitley and Colorado plans also the plans that had been adopted by a number of industries.

I believe we paid the plan of the International Harvester Company the greatest compliment in that we adopted more features from it than from any of the other plans. We, however, first wrote to the International Harvester Co. telling them what we proposed to do and they very graciously replied advising that we were entirely welcome. Our plan or constitution of our Council, therefore, very closely approximates theirs and is along the lines of the Colorado plan.

When our scheme was ready for adoption we had printed copies of the proposed constitution placed in the hands of each employee, and the employees were asked to elect their delegates to the councils. They did so. The constitution as originally drawn up was adopted, though since then a few minor changes have been made. For instance, at the first meeting of the Toronto council the elected members advised that they felt it would be a good thing to have a provision for notice of motions so that each councillor would be advised as to the matters that would come up for consideration at each meeting and would be prepared to discuss these matters intelligently. This change to Constitution was adopted. It has worked equally well either from the employees' or the Company's point of view.

The Constitution of our councils as originally adopted provided that only Canadian and British citizens were eligible for elections as councillors. We worked on that basis for a year and a half, but last autumn we received a notice from the elected men of our Toronto council to the effect that they desired to have that restriction removed. At the same time the elected men of the Toronto council also served notice of motion to the effect that they desired to have the constitution amended so that any two years of service in the Company would qualify an employee for election on the council. Both of these questions were thoroughly discussed, and while there was some sentimental desire to have the restrictions as to Canadian and British citizenship remain, it was finally decided that it would be entirely safe to leave to the judgment of the employees the matter of suitability of candidates elected, and so both motions carried.

Both of these amendments and in fact also the amendment previously referred to, that re notice of motions, were adopted by the other three councils as well.

When our councils were formed, I had the honour to be elected **chairman** of the Toronto council. I do not think it would be too much to say that the elected men came to the first meeting in a spirit of watchful waiting. This probably to some extent was because of the unsettled times. We were then in the midst of the May-Day strike above referred to. It did not take long, however, for that spirit to pass away and within a few months the chairman of the elected section made a statement in the meeting that he and his colleagues who had had an opportunity of hearing the policy of the Company enunciated by the chairman and of listening to the views of the appointed members expressed in debates, were quite convinced of the fairness of the intention of the Company and its representatives. Their difficulty was to get that feeling across to their constituents who had not such opportunities as they.

With a view to helping that condition a little, we have a stenographer on hand at each meeting who takes the discussions as nearly verbatim as possible. The formal motions and reports etc. are recorded on the Minute Book but in addition we have the more amplified, if not verbatim, report published for the use of our employees.

At first our councillors advised that they had difficulties with their constituents when they returned to the shop after a meeting unless they had gained some concession for said constituents. That difficulty has gradually disappeared and the elected men, as well as the appointed men now more fully appreciate their dual responsibilities and there has been a lot of co-operative work done on both sides of the council. Of course industrial conditions at the moment are very different from those which prevailed when our council was first organized and our men now, I think, recognize that if they can hold their own and not lose any concession previously granted, they are doing pretty well.

Our experience has been that the elected men, the employee representatives, have been more than fair in their attitude. As an instance I might mention that we on one occasion had to change the foremanship of a department. The previous foreman had been promoted. Some of the men in that department came to the superintendent to advise that if a certain man whose name had been suggested were to be appointed they would go on strike. The Superintendent advised that the appointment of this man had already been made. He asked what was the matter with the man and the answer was that they were told he was a slave driver. The Superintendent replied "who says so or what do you know about him from actual knowledge?" They could only repeat that he was said to be a slave driver. They were apparently not in a reasonable mood that morning and so went on strike. The employee representatives of their council when they heard what had happened, were quite annoyed with the men of that department for having gone on strike without consulting their representatives on the council. These councillors took it upon themselves to round the men up and to reason with them. They spent the better part of half a day on this, the Company not being at all represented.

After a good deal of discussion they asked the Superintendent to join them. It was shown that the new foreman was a very fair man and one that had gone out of his way to assist cases of workmen in distress. In support of the claim that he was not a harsh or unfair man it was pointed out that the employees in the department of which he had previously been foreman, were ready to come over and to help him out on the new job if there was to be any trouble. To make a long story short, the men who had gone on strike receded from their position, and since that time everything has been extremely harmonious in the department.

Like the International Harvester Company, we have the panel system, though, as a matter of fact we have only used it once. On that occasion the employees' section were not able to carry their own panel. The men who had moved and seconded the motion were unwilling to drop it and it was taken to vote with the above result. Apart from that one occasion every vote has been in the form of committee of the whole.

Like Mr. Young, I do not think we have reached the ultimate. There is one thing, however, that I have felt from watching our council operate, and that is that it carries with it a very decided indirect benefit to the employees, a greater benefit in fact than most of the direct ones, but one which is not always recognized. I mean by this that every Company is, so to speak, at the mercy of

its foreman or its agents or those who administer its policy, and is held accountable for the acts of these foremen etc. To the employee the foreman is the Company. Every one of our foremen and superintendents now recognizes that if his act will not stand investigation it may and probably will come before the Council and so almost unconsciously they are more careful than they otherwise would be not to act arbitrarily. This is a great advantage not only to the men but to the Company. Our Councils have provided a means of communication between the Company and the men which it would be difficult to have otherwise provided, and I have no hesitation in saying that our Councils have earned their place. I do not think they are a panacea or that they are a cure for all ills, but from our experience I have not any hesitation in saying that they are a step forward, and I have had personal knowledge from the watching of our Councils in action.

Our Company is somewhat smaller than the I. H. Company—most companies are—and so in our constitutions we consequently have a smaller number of men composing the elective divisions. We have some women employees. We formed them into a separate voting division so that they would always be sure of having a representative.

It has been suggested on one or two occasions that possibly our Councils were not worth while; that they were not so appreciated by many of our workmen. We felt that the elections which took place last December would provide a pretty good indication of how the men felt on the matter of the worth of the Council. These elections I am glad to say were very closely contested. In one Department we had a triple tie, but none of the three men would on any account consider standing back in favour of the others. We had to have another election to break the tie.

Address of Mr. Wills Maclachlan, Consulting Engineer, Toronto.

I do not know that there is much that I can add to what has been said before. I have had the pleasure of designing some of these plans, but hardly of operating with them, except primarily in accident prevention committees and work of that kind. Possibly an account of the launching of what is now a nation-wide movement in the building industries might be of interest to you. I well remember, almost two years ago now, being asked to see what I could do in the building trades in Toronto, with the idea of bringing the representatives of the employees and the representatives of the employers together.

Upon investigating the question I found that there were four groups of employers—the general contractors, the electrical workers, the plumbers, and the painters—the general contractors, of course, being the largest group. I found also on the employees' side that there were 19 different unions having a builders' league with an executive of five men. Both of these sides had been dealing with each other as organizations; in other words, the unions were recognized by the employers' associations. I worked on the idea of calling together two representatives of the general contractors, one from each of the other groups on the employers' side, and six executives of the Toronto Building Trades League. They met on the 17th of March in that year, and at that time I do not think they were very hopeful of much good coming out of the conference. Within two weeks they had a council. They suggested that I should be the chairman of it, and I suggested that they should get an outsider who would have more interest in the building trades than I, and that he should be obtained from the Association of Architects. I understand that they offered to the Toronto Chapter of the Association of Architects the pleasure of nominating the chairman.

Since the 1st of April of that year I have not sat in with that council. I understand, however, that it is working very satisfactorily, has solved two or three difficult situations, and that everything is going along in good shape at the present time.

The council was formed rather more quickly than anyone in touch with it thought it would be formed, and I think it has served a useful function in the matter of the building trades in the city of Toronto.

THE MINISTER OF LABOUR: May I say that Mr. MacLachlan was good enough to give a great deal of his time during the war period to aiding the Department of Labour and the Labour Sub-Committee of the Cabinet in bringing about better relations in Canada between employers and labour. One of the things he undertook was the work which he has just outlined.

Address of Mr. John H. Frye, in charge of Industrial Relations, Canadian Consolidated Rubber Company, Limited, Montreal.

In the summer of 1919, the Executive Officers of our Company at Montreal were of the opinion that by the formation of Works Councils the employees and management in our plants, would get a closer co-operation, a better understanding of each other's point of view and responsibilities, and a healthier, happier work day for all concerned.

The factory managers were called together to discuss the proposition and were in favour of establishing such a policy, definite work being started in October, 1919.

The proposed plan of Factory Council was of the committee type, composed of employees and management representatives, working together as a body and in committees for the discussion and decision on any questions of interest in the operation of the plant.

The proposed plan of organization, after being discussed and sold to the Factory Manager, was taken up next with the staff representatives, then with a body of the employees, the points in the by-laws being discussed from all angles and changes made at the different plants to fit local conditions such as length of service of Employee Representatives, number of representatives chosen and the number of committees to be formed.

After the Factory Manager, Staff Representatives and Committee of Employees had gone over the subject very thoroughly, the proposition was put to the employees either through instructive bulletins or through direct talks with different groups of employees. At the time of the employees holding their nominations and elections they were asked to signify their approval or not of operating under the proposed Factory Council by-laws.

We have in our organization eighteen factories; some of these factories being so located that at three points two of them are under one management and at one point five are under one management.

Through the monthly meeting of our Factory Managers the Factory Council idea has been developed with great interest. One after the other of our Factory Managers have signified their intention of putting up the proposition of Works Councils to their staff and employees, until at the present time we are operating a Factory Council, or the same is in process of organization, in practically all of our factories.

I would suggest to anybody who is thinking of operating a factory on a Factory Council Plan that the same be developed with great care, especially after

the proposed plan is formulated, that the people most interested in it understand all of the advantages and points to be gained by the introduction of such a plan, namely that the Factory Manager, the staff, and the employees understand from start to finish just what it is that they are going to do.

As to the operation of the Factory Council, we believe absolutely that every question that comes up for settlement is in the first place a question between the employee and his foreman or immediate inspector. We point out clearly to our employees that the foreman is in charge of that branch of the work and held responsible for same and must be treated with respect. On the other hand we expect our foremen to see that their employees are getting a square deal at all times and we expect them to handle their employees with courtesy and fairness.

A point which is not settled between an employee and his foreman may be advanced by either one of them, first by taking into conference the Employee Representative in the group and the Management Representative who is in charge of Industrial Relations at the Plant, then to one of the Council Divisions who are most interested in the question which is under discussion.

The foreman has absolutely nothing to fear from the Factory Council organization if he is dealing with his employees on a fair and square basis. If an employee forces a question over his head to one of the Council Division meetings, it will then be settled over the table by conference and the foreman's decision upheld. On the other hand the employees have nothing to fear from the Factory Council as they are allowed the same channel as the foreman in bringing the question before the Council Division meeting and the Management guarantees to employee representatives that they shall be free to discharge their duties in an independent manner without fear that his individual relations with the company may be affected in the least degree by any action taken by him in good faith, acting in a representative capacity.

If the Council Division which first discusses this question is unable to reach a decision they may finally agree to pass the matter on to the Executive Board which is composed of the Employee Chairmen of the different committees, and an equal number of Management Representatives. If this committee cannot reach an agreement we believe that the employees should be allowed to choose anyone whomsoever they like and the management will choose whomsoever they like, to form an Arbitration Board. If these two cannot agree they shall appoint a third person and the decision of this Board of Arbitration is final.

Many people have asked us why we set it down in black and white in the by-laws, that the company is willing to open the doors and go clear through with any subject which may come up. We believe in the first place, that nobody is better able to settle any dispute than those directly concerned in it, and if our employees and management cannot come together somewhere along the line, one of them is radically wrong somewhere. We believe that our arbitration clause acts as a safety valve. Although the management and the employees know that any question which they cannot settle among themselves will finally come to arbitration they will be much more careful in trying to reach an agreement among themselves somewhere along the line. Take for instance if there are several questions on the budget to be discussed, the first one may be quite a bone of contention. It is easy enough to set this question to one side for the time being and get busy on other matters. By the time this committee has worked together on three or four questions, they are co-operating and working

together and it is much easier to turn to the contentious matter and nine times out of ten, reach an agreement.

We believe that our nominations and elections should be run separately, nominating two employees for each representative to be finally chosen. In this way the final choice will represent over 50 per cent of the employees interested.

We believe that our Employee Representatives should be paid. The decision on this in talking it over with our employees is that during working hours Employee Representatives receive from the company payment at the rate per hour of their individual average earnings. If, however, the meeting is held after working hours, members of the Employee Representatives receive payment at the rate of their collective earnings.

We have a clause in all our by-laws guaranteeing the independence of Employee Representatives. We also make no discrimination against any employee because of race, sex, political or religious affiliations, or membership or non-membership in any labour or other organization.

The minutes of all meetings are posted throughout the plant on bulletin boards.

Any part of our Factory Council plan may be amended at any time. The amendment must receive the approval of both the Management and the Employees.

Statement by Minister of Labour regarding Canadian Railway Board of Adjustment No. 1.

I am sure we have listened with very great interest to Mr. Frye and others who have spoken. Before adjourning, I would like to make brief mention of an industrial council that has been established in Canada, but which is not represented by any gentleman here to-day. I refer to our railways. This council has been an undoubted success. In July, 1918, great difficulties were looming up on our Canadian railways with respect to wage matters, because from 1914 to 1918 our railway boys had carried on very loyally without an increase in wages commensurate with the increase in the cost of living. A meeting was held, with which I happened to have something to do, and 79 representatives of the railway employees, and 24 representatives of the railway companies, met together and reached a decision that there should be no interruption of transportation during the war, no matter what difficulties might have to be met with. In order to provide machinery, with this in view, a board consisting of six men representing the employees and six representing the railway companies was established, and since that time, notwithstanding the fact that the war has been over for two and a half years, any questions arising which were not possible of solution between the individual railways and their employees, were referred to this board and thereby satisfactorily and unanimously disposed of, and there has never been occasion to resort to the Industrial Disputes Investigation Act on our railways since that time, with one exception. The arrangement has been an unqualified success; and while the agreement was entered into only for the duration of the war, it is still in effect. I am convinced that this general principle is absolutely sound, and I am delighted that so many of our larger employers are giving attention to it.

THE CHAIRMAN (Mr. Brown): We have with us Mr. C. Ching, Supervisor of the Industrial Relations of the United States Rubber Co., who, I am pleased to learn, is a Canadian by birth, and who has come all the way from New York to take part in this Conference.

Address of Mr. C. S. Ching, Supervisor of Industrial Relations of the United States Rubber Company, New York.

Mr. Chairman, I will attempt to outline in a general way some of my ideas in regard to works councils, and some of our experiences on the other side of the line. The experience there has been practically the same as that of the Consolidated Rubber Companies' factories, as outlined by Mr. Frye. Previous to my connection with the United States Rubber Company, I was with a company dealing with representatives of organized labour. We had 18 different unions, and it was my job to negotiate with the representatives of those unions. From that experience it was my belief that in order to establish some sort of contact between the employer and the employee within a factory, where the group of employees was so large that it was not possible for the management to know them personally, it was necessary to have some kind of organization. My experience with the various unions there demonstrated that it was necessary to have contact of some kind with the employees who were vitally interested in the particular plants. I made an investigation of works councils in several of the large corporations in the United States, and the more I saw of them the more I was convinced that there was some way to bring about a relationship within the plant that would produce results.

Factory councils, works councils, industrial councils, or whatever you please to call them, are merely based upon the fact that 98 per cent of the people in the world are fair if they know the facts. That is about all there is to it. Take any group of people—take you gentlemen here with any propositions that may come before you—if you know all the facts I am willing to gamble that you would reach a pretty fair decision. The development in the United States has been along this line. Take it in our New England industries where we had small plants, where one man owned a plant and had two or three other fellows working with him. Those men knew each other, they were associated with each other, and their problems were common and they co-operated to work out their problems.

But as plants grew, various problems of management entered into the question; the managers had their time taken up with matters of manufacturing and selling and machinery, with the result that the employees and the management grew away from each other. There was not the opportunity to know each other's problems and I want to say that when we know each other's problems within our plants, we will have taken a long step towards settling most of our industrial difficulties.

We have in the United States Rubber Company at the present time fourteen what we call factory councils operating. I hope no one here will be misled in regard to factory councils; I hope no one will get the idea that you can take any kind of plan and put it into your plant and have it work. We have in the United States organizations for building and selling industrial council plans, and have them on a very high production basis, and you can go to them and buy these things and they are guaranteed to work. All that, Sir, is very ridiculous and absurd when you stop to think that all you are endeavouring to do is to have some means whereby it is possible for all the people in the plant to give their view-point to the other fellow and to get his.

The best plan of industrial council that can be devised in any plant is the one that will best suit that particular plant, and the best way to determine what plan will suit that particular plant is to get together with all the people in the plant so that you may know all the view-points and work out the plan with them. However, there are certain things which are absolutely necessary. Mr.

Frye spoke of arbitration. As a result of my experience in negotiating labour grievances, I believe it is necessary to have some sort of plan of arbitration in every industrial council plan—not that you will ever use it, not for the purpose of arbitrating, but because an arbitration clause in any labour agreement or plan of this kind is one of the best instruments of negotiation that you can possibly have. There is no need of anyone going out and slamming the door if you have an arbitration clause; but if you have not got it and anyone goes out and slams the door you have no way of getting him back in again. I believe there should be an arbitration provision so that you may have all the negotiation that is possible and if you go at it in a fair-minded way, any negotiations with your employees can be carried to a successful conclusion if you have confidence in them and they have confidence in you. One of the fundamentals is that you must have confidence in the employees or they will not have confidence in you. Confidence must be mutual.

Another thing of which I am convinced—and I think everyone thinking of factory councils would be—is that there should be no discrimination. First you must guarantee the independence of the representatives so that they may be free to express themselves when acting in a representative capacity when matters are being taken up. A man must not be discriminated against because he says so-and-so or that the foreman is to blame, no matter whether he is borne out by the facts or not, so long as he honestly believes in what he says. You must not permit a foreman to discriminate against a man because he has taken a matter up in a certain form. Another thing which I think is necessary is that there should be no discriminating against a man because of membership or non-membership in a labour organization. A plan that discriminates against a man because he belongs to a labour organization is not open and above board and on the level.

If industrial representation is good, we want everybody in our plants to know it. Industrial representation does not mean that you have a little organization in your plants functioning in an independent way. You have representation for one purpose and one purpose only,—that of getting together with your employees on a proper basis, and giving everybody an opportunity to express himself freely—and unless you do that on an honest, open and frank basis you won't get very far.

More employee representative plans have succeeded in the United States than I thought possible, when you take into consideration some of the conditions under which factory councils have been installed. Some of them are going ahead to-day and working out very well, not because of, but in spite of the way in which they were installed.

It is natural for employees in some industries to be distrustful of their employers; it is natural for the employer to be distrustful of the action of the employees. In some instances they have both been at each other's throats; they have not attempted to get together to work things out. In most instances where trouble has occurred there has been an attempt on the part of someone to dominate, to put something over on the other fellow—and “if the other fellow puts it over on me, I will put it over on him if I get a chance.” You cannot have that spirit, and any employer who puts in an industrial council with the idea of putting something over on the employees will find that his industrial council will not work unless he has a change of heart. I have known of cases in which I sincerely believe the employers put in industrial councils for the purpose of putting something over when they got the plan working; but when they found the employees in their plant willing to co-operate with them on a fair and honest basis they had a change of heart.

We have had some rather remarkable experiences—that is, they were remarkable to some people, possibly to some of our foremen and some of our superintendents, because they did not believe that the employees would co-operate through the factory councils in the way they did. We had an instance in one of our factories where the employees, through the council, asked for a 25 per cent wage increase. That was a matter that would come up through the representatives and would go through the various committees, and, if it could not be settled in committee, would eventually go to arbitration. When the matter was brought up the manager asked the employee representatives on what basis the increase was asked for. The claim was made on the basis of the increased cost of living. The employees said that they believed the cost of living in that particular community had advanced to a greater extent than it had in other parts of the country. We placed what facilities we had at the disposal of the employees so that they might secure a proper survey of the cost of living in that community, and after they had considered this, they came back with the report that whereas wages had increased 118 per cent, and the cost of living only 90 per cent, a further wage increase was not justified at that time. This information was posted throughout the factory, and the decision arrived at was entirely satisfactory to the employees. In other words, it was just a case of getting at the facts in an open-minded, fair way.

We have had throughout all industries everywhere the problem of the foreman and the little "boss". A lot of managers of industry to-day, if they have any suspicion of what the little "boss" is doing, will get busy and go down and get to know that little "boss". What I say in this regard is just as true in one factory as in another. To the man at the bench the little "boss", the foreman, is the company; and if industrial councils are not useful for any other purpose than to make bigger men out of your foremen, they will have done much in that way alone.

In a certain plant the foremen all meet together every week. When the industrial council plan went in there the foremen said: "We are sold on it, we are willing to give it a whirl,"—but there may have been some mental reservations. They were not very sure how it was going to work out. However, in this particular plant after a few months' experience with the industrial council, a request was sent to the employee representatives, through the management, asking to have representatives of the council sit in at every foremen's meeting. This worked out very splendidly indeed. The foremen in making a decision know the viewpoint of the representatives, and when a matter is brought out to the factory, the representatives know just why a decision is made and are in a position to explain it.

There is something that we all ought to realize, and you will realize it more fully when you have councils in operation; the majority of your employees are more loyal to your company and to your industry than you give them credit for being. There are a great many employees in industry to-day who have just as much and possibly more pride and loyalty to those industries than we suppose. We want to have those employees appreciate that they have something worth being loyal to; in other words, we want to give them our confidence and I don't know of any other way of giving it to them than by some plan of getting together.

It does not make much difference what you call it—an industrial council or a town meeting—but gentlemen, don't get confused when you are thinking of factory councils. Factory councils establish an organized relationship between all the people in the plant, giving them opportunity to get acquainted and to pull on the same rope in the same way instead of pulling against each other.

I do not know how it is in Canada, but I do know that in the United States during the past four or five years there seems to have been a very well organized

publicity campaign carried on from Congress, from the Executive Mansion, right down through the churches, colleges, newspapers and magazines,—to build up class consciousness. In the name of common sense, if we have in our industries to-day managers who are sincere and workers who are sincere, isn't it absolutely necessary that the management should know what ideas the workers may have in regard to certain things? Isn't it doubly essential that the people at the bench should know the viewpoints and thoughts of the management? In that way we shall develop a sense of responsibility on the part of both the management and the workers which cannot be established in any other way. They must be got together and that can never be done on the basis of class consciousness. Whatever plan you devise, be sure that it is a plan which everybody knows is the best that can be worked out for a particular plant.

In one plant of 4,600 employees, 90 per cent, were non-English speaking. They were not born in the country, they were aliens, and were not citizens. I do not know how many languages were spoken in that plant. When the proposition for a works council was brought forward, the manager of that plant feared that it would not work. But he was one of those fellows who says: "Well, if anyone can make it work I can," and he went ahead. I think the plant has done more to bring all those people of various nationalities together and to enable them to meet on common ground than any other one thing we could have done. One of the matters the council brought up was the question of putting in schools and co-operating with the community in the teaching of English. The problem was worked out, and the result is that the schools are very well attended. The employees, meeting together in council, discovered the necessity for having some common language, and they went ahead and encouraged the schools. The problem over there is a little complicated, of course, on account of there being so many nationalities; but it always comes back to the principle that 98 per cent of the people when they know the facts, no matter where they may have been born, can be depended on to be fair.

We have had other cases in which the I. W. W. have gone into a plant. In one case in New Jersey the men of a neighbouring concern were out on strike as a result of the I. W. W. and they were around town distributing radical circulars and so on. The manager of our plant became quite concerned and called the council together and said, "Gentlemen, I want to talk to you about this business; it is looking pretty serious." The chairman of the council got up and said, "Mr. Manager, this is not your problem; it is our problem. We will take care of any I. W. W. situation that may develop in this plant. We believe in this council plan, and you need not worry a bit about the I. W. W."

A little resumé of our experiences in regard to elections might be of interest to you. One of the things that has been said quite frequently is: "Well, all right, if you put an industrial council into my plant all the radicals in the plant will be elected, and then what are you going to do?" Another thing that I have heard is: "The plan may work all right in your plant, but it won't work in my plant." In our first elections 314 representatives were elected in 14 factories. The average age of the representatives elected was 37.9 years, hence they did not put in the young fellow who might not be stable. The average length of service was 12.5 years—the employees elected men who had been long in the service of the company.

The fourteen councils which we have handled 2,309 cases in six months from January 1st to July 1st, 1920. These cases covered a variety of subjects, and in no case did any question in dispute go to arbitration, in other words, the councils negotiated them and settled them satisfactorily to all concerned. I say they were "settled satisfactorily" because under the industrial council plan you

have got to settle matters satisfactorily. That is the beauty of getting together and understanding one another. The matter has to be thrashed out, and before that is done everybody is going to understand everybody else. When you get a group of people together and they understand each other and are sincere, they can settle anything.

We do not have industrial councils in all plants. In one group it became necessary to consider a readjustment of wages. Within a comparatively recent period—the last two or three months—other concerns were cutting wages and posting notices, and laying off men. We recognized the necessity for getting the price of our product on a competitive basis. We did not want, however, to make any wage adjustment which would be considered unfair. The matter was taken up with our industrial councils and discussed thoroughly; the question of the price of the goods was gone into, as well as the cost of living, and other expenses. It was our experience that the factory councils functioned just as well when wages were going down as when going up.

The rubber industry, as you know, is not a unionized industry in the United States. In two or three cases, however, there are organizations. I would like to mention one instance in Connecticut. I may say that was one of the federal unions as distinct from a craft union. The president of the union was elected chairman of the employees' committee, and while I do not know, I presume that he consulted the local organizer, and as the thing went along in the factory, the interest in the labour organization at that particular point seemed to die out. I do not think there is any union there at this time. That, as you understand, was one of those unions which grew up overnight. In another case the chairman of the factory council was at one time a delegate to the central labour union,—in fact had been for about ten years. He was a very able, level-headed fellow, and in one instance, in discussing a matter of a wage adjustment, around the table, he said: "I want to speak about a matter that is entirely apart from this council. I have some very good friends in the Shoe-Workers' Union, and I used to sit in council with them. I would like to take this matter up with them." The man came back later on and said: "It is just as I thought; they decided in favour of you and me." But keep in mind the fact in relation to the rubber industry that it is not a unionized industry in the United States. In a few isolated cases federal unions have gone in; but I do not believe there is a rubber factory that has an agreement with an organized labour union.

MR. VALENTINE: May I be permitted just a word? At one of the early meetings of our council the subject of a wage increase was up. One of the company representatives, one of the appointed representatives, spoke of the dangers of setting a wage rate that might later be found to be unfair to the company, and therefore, in the final analysis, not in the interests of the employee. The chairman of the elected section said, if the time should come when that would be shown to be the case, he had not the slightest hesitation in saying that the employees' section would recognize it cheerfully and consent to a reduction. From my personal experience I have no hesitation in saying that they will look upon it just as fairly on the downward scale as they have on the upward scale.

MR. GRAY: In our council there have been only two wage reductions; one a straight reduction covering the entire salary on the percentage basis, and the other removing our minimum wage rate.

MR. QUIRK: Mr. Chairman, Mr. Ching has spoken with a very profound knowledge of the work of the industrial council; he has spoken of a case in which other languages than the English language are spoken. Mr. Frye went very carefully to work on his plant. We are well aware that Mr. Frye's plant is one of the largest and one of the best distributed geographically in this

country. He has, as we know, factories established in the province of Quebec, which is distinctly a French-speaking section. It has occurred to me to ask Mr. Frye if he has experienced any difficulty, or any opposition, or any different attitude, so far as the French-speaking section of our Canadians are concerned, in establishing the councils in the province of Quebec. We are well aware that the question of language in this country is one that has to be considered, and I would like to ask Mr. Frye in establishing the councils at St. Jerome and Granby, and at Montreal, which is very largely French, how the matter was taken by the French-speaking people. Was there any modification of the plan?

MR. FRYE: The question came up in the Canadian plant in Montreal; "What is going to happen; suppose you get half of these people here who speak nothing but French, the other half would speak English and would not understand French?" The employees' committee in working out their by-laws, when it came to the question of representation, worked their council organization out on a 4,000 basis which would necessitate 19 working representatives on the council, and their officers agreed among themselves that it was very much better for the employees, and that it would be very much better for the managers, if it were possible to have the representatives on these committees speak both French and English. For that reason we finally agreed on a representation of 54 employee representatives, covering every department in the factory and every group of workers, and from the 54 they were able to select 19 who were able to speak both French and English. That is one of the reasons why we had such a large representation in that plant. That is a plant employing 2,200.

At Granby there are about 700 employees in the plant. In making up the list of those eligible for employee representatives, a note was made in regard to the speaking of English and French. They tried as far as possible to get representatives who understood both languages. I should say about 25 per cent of our employee representatives at Granby could not speak English; the rest speak both French and English. We found that to work out very nicely, because if we had a committee, say on working conditions, and there were two employee representatives on that committee who did not understand English very well or did not speak it very well, the other representatives were very much more attentive to every single point in the discussion. Our foremen, too, are also very much more attentive to every point, because the employee representatives, as soon as a thing is said in English, repeat it in French. Half the meetings commence in English and end in French. A person may go on for five or ten minutes in English, and then turn around to French, or one fellow will speak English and another will answer in French.

At St. Jerome our plant is, I should say, 100 per cent French speaking. Although it is 100 per cent French speaking, all the employee representatives speak both French and English fluently. At our Columbus factory in Montreal I should say that 96 or 97 per cent are French Canadians. They carry on all their discussions in French. The foremen speak both French and English, and most of the employee representatives speak English, but they find it more convenient to carry on in French. Our industrial council agent at that point is French, and although the managers cannot speak French, they get along extremely well.

At the Canadian plant our manager is able to speak French quite fluently, and gets along very nicely. This question was one that caused a good deal of discussion. Nearly every one of our Quebec managers said: "I don't speak

French, what are we going to do?" But we found that the problem worked itself out without any trouble.

Along the line of what Mr. Ching has said with regard to representatives of the labour union on our industrial councils, I may say that at Granby we have all the representatives of the International Union, and I think we have all the representatives of the National Catholic Union.

MR. BROWN: What do you mean by all the representatives?

MR. FRYE: All the officers of the two unions. In Montreal, between our Canadian plant and our Columbus plant, I believe we have all the officers of the National union and of the International union. At St. Jerome we have two of the officers of the International union. They have no National union. In Kitchener we have a member of the Trades Council and also the president of the Boot and Shoe Workers' Union. The only place where there was any question was at Kitchener, at the time this council was being formed. This man, the member of the trades committee of the council, became very much interested in the council and was very much surprised when the manager of the plant asked him if he would not talk it over with some of his friends. The thing went on from time to time, and I think the Trades and Labour Council at Kitchener proposed a resolution that none of the members of the union should be employee representatives in this works committee. That resolution, however, was very much overruled, and there has been no further question on that point. It was explained to me that the question was taken up with the workpeople, and they said: "Here, this is absolutely a works council; we are only 15 per cent organized; there is no reason why we should not be in this with the other 85 per cent;" so they practically took their own head for it.

Address of Mr. P. F. Sinclair, in charge of Industrial Relations, Imperial Oil, Limited,
Toronto.

Mr. Chairman and gentlemen, I wish to express my appreciation to the Minister of Labour for the invitation that he has extended to myself in this connection, and also to congratulate the Department of Labour in calling together us men who are, of course, interested in this matter. I think this is a very fitting time for us to get together because we all feel that the year 1921 is bound to be a testing time in all industries. I feel that the Senator has put his finger on the fundamental principle of all our work when he says that if industry is to be carried on with advantage to all parties concerned it must be carried on with the willing co-operation of the men who are called the employers and the men who are called the employees.

The Imperial Oil Company has been a pioneer in this matter. We have had our plan, a very well thought out plan in force now for two years, or a little over, and while it requires almost five years to determine the real results with confidence, still it is our sincere and reasoned judgment that the plan has met the situation in such a remarkable way that every single case has been settled satisfactorily. We have had no strikes. We have plants from St. John's, Newfoundland, to British Columbia; at points in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia and now we are putting one into operation in the far north at Fort Norman. We have 14 councils, four of which were put into operation last fall. With my very able assistant, Mr. Thompson, I had the pleasure of organizing those four councils, one of which, in the province of Quebec, is composed practically entirely of French people.

I found that the establishment of that council in Quebec was received with unrivalled enthusiasm. Happily the French language had no difficulties for us, and we found the men willing and anxious to co-operate with us.

We have felt that all questions that have come before the councils have been satisfactorily settled. I have here just a brief statement which appeared in the February issue of the "Imperial Oil Review," which indicates that there were 36 questions of wages settled; 47 questions of working conditions; 5 questions of promotion and discharge; 23 questions of hours of work; 41 industrial representation plans; 58 questions of sanitation, housing, and social matters; and 25 miscellaneous. Each of these cases was settled to the complete satisfaction of the employees and the company. In all 235 questions were adjusted satisfactorily, covering a wide range of subjects.

Another point I think was raised by Mr. Young, and touched upon by Mr. Ching, viz., that the real testing time is to come when wages are to be lowered. My introduction to this industrial council work was a very pleasing one. I had to go to the different councils and inform them that the men had been placed on an eight-hour basis, and that their wages generally were increased about 10 per cent. That was a very easy thing to do. But the real test comes when you have to go to these councils and ask them to agree to a reduction in wages. The Standard Oil Company, with which we are very closely associated, was confronted with the question of the reduction of wages in the Bayway refinery, where my brother is the medical director. I have received a copy of their plant paper, in which the leader is "The victory of industrial representation." On February 1st, the industrial council agreed to reduce their bonus one-half. It was an act of honesty and courage. That is an instance of men who, realizing the whole situation, were willing to play the game according to the rules of operation. I think it is a remarkable thing; it is a remarkable tribute to the men themselves, and it is a remarkable tribute to the plan of the Standard Oil Company. These men did this thing of their own free will, because they realized that the company had undertaken to carry forward its plans of operation on the principle of a square deal. "A square deal" has two sides to it—it means that there must be a square deal with the employee and a square deal with the employer as well. That is where some men fall down. They seem to think that they are the only ones entitled to a square deal. The man who works with his hands has a right to say when investing his energy that he is entitled to a fair price for it, because the real thought underlying the action of the workingman is that enunciated by Robert Burns. Roseberry said that the finest thing Burns had ever written was this:

"To mak' a happy fireside clime
To weans and wife.
That's the true pathos and sublime
Of human life."

We realize that this is the ideal of the workingman. He wants to put a roof above his head and put clothes on the backs of his children and give them an opportunity to make their way in the world. He is human; he has the same impulses we have; and ambition is coursing through the veins of his children as in the veins of the children of other men. Because of this he has the right to ask for a square deal, a little time to rest, a little time to work, a little time to meet the obligations of citizenship.

If we recognize this ambition of the workingman and put our stamp of approval upon it, we will say to him: "You have the right to ask for a square deal; to ask for an honest return for honest labour." But there is another side to it. That workingman, if he is an honest man, will give a square deal to his employer.

I may say from my intimate acquaintance with this work that I have been impressed with the fairness of the workingman. I think Mr. Ching put his finger upon the salient point when he said that 98 per cent of the workingmen, if they know the facts, will deal in a reasonable and fair way. That is one reason why we must be absolutely frank and sincere. We must face the facts and not be afraid to place them before the men and ask their judgment and co-operation upon them.

In order that you may get the viewpoint of the men in connection with industrial conferences, I will read a few extracts from statements issued at different points. The statement from Ottawa is as follows:

"The employees here appreciate the interest the executive management are taking in their welfare, and the company need not have any hesitation in relying upon the loyalty of the staff."

The word comes from Montreal:

"This council appreciates the many manifestations shown by the company for the welfare of its employees, and particularly through their insurance, sickness, pension and co-operative trust schemes."

The statement from St. John says:

"The unanimous feeling of the council and among the men is that something very substantial has been accomplished."

Here is the word from Ioco, and I think it is most significant:

"There could not be found better or closer relations between employers and employee than now exists between the Imperial Oil Limited and Imperial Oil employees. The Imperial Oil Company is entitled to know and to feel that they fully deserve our unqualified loyalty at all times, and that we gladly acknowledge it tangibly by our actions and conduct."

Then there is the statement from Sarnia:

"We feel that before adjourning this last meeting, we should express the appreciation of the elected delegates as to the manner in which they have conducted these meetings. You have been straightforward, fair and square in your attitude. This fact, we assure you, is fully realized in a marked degree, especially by the second-term delegates on this committee. We also wish to express our appreciation of the fair-mindedness and reasonable attitude taken by the selected delegates throughout the year. We therefore extend to you a sincere and hearty vote of thanks; and although we may not have the privilege of serving on this committee with you again, we want you to know that while in pursuance of our work with the company we are still members of this welfare committee."

There is another message from Edmonton, which indicates the same spirit.

Our councils are elected on a fifty-fifty basis, so many elected delegates and so many selected delegates, the superintendent or manager being the chairman. In Montreal we had a little adjustment to make, but it was easily made when the men were brought in and the matter discussed around the same table. While we admit that this is no panacea, we believe that psychologically we are on the right road. We are all feeling our way. I do not think that any one particular plan should be adopted, but that each director ought to form the plan according to the requirements of his work."

When I was down in the Bayway refinery I saw the manager there. In order that the men should not be called together during the hours of work—say 60 men every month—he has an executive council representing the whole council who go over matters and adjust them, and finally, when things are in shape, they are brought before the whole council. The same thing is done in Parliament, where a great deal of the work is performed by committees before being brought into the House. In this way a great deal of time is saved.

Another thing he brought to my attention was the way in which they have secured the co-operation of the women. They have a committee made up by the wives of the delegates, headed by the wife of the superintendent, and these women look after the home conditions of everyone engaged in the plant.

Another matter that was brought up was the effect that this plan was having upon the management. I think it has a very profound influence. In one of the plants of the Standard Oil Company there is a man with whom I was greatly impressed. He is the superintendent of a certain plant and has great native force and wonderful judgment in the handling of men. He has marked intellectual strength. When this plan was put into operation he was not particularly enthusiastic about it, but after two years of operation it has developed this man in a way that one can hardly realize—made him a stronger man.

THE CHAIRMAN (Mr. Brown): So far as I know, there is no provision for arbitration in your particular plan. May I direct attention to that or are you prepared to speak on that matter?

MR. SINCLAIR: I was greatly interested in the remarks on that phase of the question. The agreement which we have is printed and is put in the hands of each of the councils when they are organized. It is a rather lengthy document and I will not inflict it upon the conference, but among other things contained in the agreement is this statement:

“There is to be no discrimination on account of membership or non membership in any church, society, fraternity, or union.”
Then, as to the right of appeal:

“Any employee who feels that he has been unjustly treated or subjected to unfair conditions, has the right of appeal to the general superintendent and the higher officials of the company, provided he shall first seek to have the matter adjusted by conference, in person or through his regularly elected representative, with the foreman or superintendent of his department. Before such appeal shall be taken to any official not located at the plant, it shall be first considered in a joint conference composed of the employees’ representatives in the division affected and an equal number of representatives of the company. In case such conference fails to agree unanimously as to a fair adjustment, an appeal may be made to the executive council at the works; or, in case such a council has not been organized, to a conference composed of all the employees’ representatives at the works, together with an equal number of the company’s representatives.”

MR. WINTER: You have councils distributed pretty well all over the country in very much the same way as the Bell Telephone Company has them. Is there any way in which the different councils communicate with each other? Do you have any annual meeting of the representatives of the different councils or anything of that kind, in order that they may become acquainted?

MR. SINCLAIR: We have no general meeting except, of course, of the officials. The heads of the councils come together more or less, and we have an annual meeting of the chief clerks.

MR. MACLACHLAN: I took it from one of your remarks that there was a tendency to cut down the number of meetings in one of your factories; that is, to cut away from your council meetings and to have an executive meeting instead. Have you found generally that your superintendents feel that monthly meetings are giving too much attention to this subject, and that meetings three or four times a year would meet the situation?

MR. SINCLAIR: No. In marketing divisions the councils meet once every three months. For instance, in the Hamilton plant, things were running so smoothly that last year there was not a ripple, and it did not seem advisable to call the men together every month.

Remarks of Mr. F. A. Acland, Deputy Minister of Labour.

You have already heard the Departmental point of view outlined, I think, by the Minister and the Chairman. You all represent individually, or perhaps even collectively, very important and varied industries. We in the Department come into touch with individual industries and difficulties, and sometimes with industry as a whole. The Minister and the Department have tried to look at the matter Dominion-wide, as it were, and now that the International Labour Office has been established, we have to consider even the international point of view. We do not look, as Mr. Sinclair has said, for anything in the nature of a panacea. I do not think there will be any final conclusion to any of these matters; but that is no reason why we should not look for the best means of getting along. We are at a time when changes, I think, are more rapid than perhaps ever before, both industrial and otherwise. A slight change in Europe determines the fate of countries, and affects countries in all parts of the world. The invasion of Belgium changed the nature of the industries of this country and the United States, and we all know the result. We are not yet through with that result: it is having its effect on industries to-day; but the more rapid these changes are the more necessary it is for us to endeavour to keep abreast of the times.

We may not have a panacea, but at least we can have something that effects amelioration and tends to betterment and improvement. I do not know that I can put the situation in that respect more clearly than it has been put—I am quoting it, not for the first time, because I think the sentiments are so fine that they cannot be repeated too frequently and perhaps some of the Americans present will not object to me quoting the American philosopher, Emerson, who said: "The destiny of organized nature is amelioration. It is for man to tame the chaos. On every side while he lives to scatter the seeds of science and of song, so that climate, corn, animals, men, may be milder, and the genius of love and benefit may be fruitful and multiply." That is the sum and substance of the philosophy to which he gave vent, and I think you could not have anything finer than that embodied in all the efforts that are made to better and improve relations between employers and workmen.

**Address of Mr. H. H. Stedman, Superintendent, Swift Canadian Co.,
Toronto, Ontario.**

Mr. Chairman and gentlemen: We started the Industrial Relations Committee in our plant about 18 months ago. Before starting it, we looked into several different plans and I think as far as the work of the committee is concerned our plan pretty well follows along lines described by others around the table.

We found early in the life of the committee that it was necessary to get the full co-operation of the foremen as they were afraid that some of their authority

was being taken away from them. In order to educate our foremen, we had an educational course for them, which has to a great extent overcome their opposition.

As far as the workmen are concerned, I think their spirit is much better since the committee has been formed. I believe they feel that the Company wants to be fair with them and that the ultimate results will be satisfactory.

Think the important thing is to get the facts before the workmen.

Address of Mr. J. H. Coffey, Jr., Factory Manager, Gutta Percha and Rubber, Limited, Toronto.

Mr. Chairman and gentlemen, there are certain features of our council plan which may interest you.

I have heard several speakers describe their council plan, but I have not heard anyone refer to the inception of it and how the idea was fostered. It might be as well for me to briefly review our situation, which must be unusual, because no one here seems to have had a similar experience.

It was a little more than two and a half years ago when we first heard the expression of a desire on the part of employees for closer relationship with the management in the discussion of mutual problems. Our plant, by the way, is a privately-owned company employing about 1,300 workers, and there has always been considerable sentiment and personal feeling between the owners of the industry and the staff. There was a very strong feeling on the part of the employees that they would like to take a greater interest in the affairs of the company, and some of the old employees spoke of the early days of the industry when the management knew every fellow-worker personally. But as time passed and the plant grew, the old relationship changed, as might be expected. It was an effort on the part of the workmen to revive that spirit. I was glad to see that spirit abroad, but at the same time it was under rather peculiar circumstances that were not exactly auspicious, because our employees suggested that some form of profit-sharing might be established, and all of us who remember the sentiments so freely expressed during the latter days of the war period, about the possibilities of the era of industrial peace, will appreciate the circumstance. A committee was appointed to talk over the situation, and finally concluded that profit-sharing was not an unmixed blessing, because it ought logically to involve loss-sharing, and the suggestion was abandoned.

Out of the contact that was thus established grew the idea of continuing conferences to discuss any grievances that might arise. In other words, to begin with our committee was merely a grievance committee, and during the first few months did not meet at definite periods but only as occasions arose. As time went on and we met regularly and got to know each other better, it was suggested that the scheme could be put on a reasonably definite basis, and long before we considered the question of a constitution, we outlined the work of the committee and suggested the election of representatives. The employees elected their men and formed a committee which met with the management representatives, and we discussed problems from time to time.

I remember very well that at our final meeting in 1919 it was suggested that the plan of meeting was a good one, but that the contact established, like all such contacts, was capable of some improvement. We decided to improve the contact, and to that end a committee was appointed, consisting of two members of the employees and one from the management. I happened to be the management representative. This committee was commissioned to study all forms of employee representation and to bring in a report and submit a constitution. After a study of all the information they could get on the subject, which took consider-

able time, the committee drafted a report, and in April, 1920, we started on our real factory council plan in accordance with a definite constitution.

We tackled the thing in probably a little different way from a good many concerns; we took the stand that the employees in the plant had a right to decide for themselves just how they should be represented on the council, and their own method of procedure. First of all, we drafted a constitution of a general factory committee. We have a general factory committee, having one representative for each 100 employees. In any sections where there are less than 100 employees they elect a representative. In that way we got representation from all parts of the plant. We have in certain cases one representative for 20 employees, but in the case of large departments, like our footwear department, we have one for each 100.

The representatives so elected meet each month, and the object of the general factory committee is: "To promote and foster the social and economic welfare of the factory employees of the company, and to encourage the closest co-operation of the employees with the management on all matters of mutual interest." Frankly, what we now have is a Company union. The factory committee is operated entirely by the employees. They have their own chairman, their own secretary and their officers, and out of that general factory committee are selected five representatives to meet five representatives of the management, thus constituting the council which meets each month.

We have worked under this constitution for almost one year, and while I am quite optimistic, at the same time I fully realize that the testing time for councils is about here. We are on the downward grade; it is the reverse side of the cycle; and just what is going to happen eventually, I do not know. I have reasonable confidence, but I do not feel that one can prophesy.

The best feature of the factory council idea is that it establishes contact, and where there is contact there is the possibility of understanding and mutual confidence, which is the basis of right human relationship.

The council consider all matters pertaining to the workmen—social, economic, and welfare—and to me the finest thing about the plan is that the employees have an opportunity of getting in touch with the management and definitely voicing their sentiments on any matters. The most cheering thing of all is the number of questions settled without reference to council. After all, is not that what we are after? The idea that in each sub-section of the plant the man in charge will be so imbued with the idea of the personal touch that he, acting as the direct representative of the management, adjusts the differences in his department. In other words, what we are trying to do is to get back to the old idea of one man being in close enough contact with a group of men that he can give them his point of view and in turn gain theirs.

In case there is a misunderstanding, or grievance, or some matter to be discussed, the rule of procedure is that the matter must first be referred to the man's immediate superior. This can be done by the man himself or by the representative in that department. If the superior does not make a satisfactory adjustment, the matter is referred to the secretaries of the Council. We have two secretaries; one, the general secretary of the factory committee, who acts for the employees, and the other for the management side of the council. These two receive the notice of the complaint. The management's secretary refers the question to the superintendent of the department where the man is employed, and it is up to him to make an adjustment. If the foreman cannot settle the question, and the superintendent cannot settle it, then it is referred to council—and there are not very many matters that have to be settled by council. We proceed upon the principle that the management must be responsible for the differences

in their section or sub-section, and it is up to them to make whatever adjustments are necessary to satisfactorily settle the problem on the spot.

On the other hand, the council have taken action in many matters and they have done good work. I am thoroughly optimistic about the future. I agree with what Mr. Ching has said about the men, if they know the facts. I could cite instances in which the employees' side have considered matters just as carefully and intelligently as the management would, if they were considering them. That is a pretty good evidence of the level-headedness of the average man, and I hope and trust that when we have to consider the reverse side of the industrial cycle the same balanced judgment will prevail.

I might mention that our Company have always taken the stand—perhaps that is the reason why they held the confidence of the men to a very great extent—that there is to be no discrimination whether a man is a member of a Union, a Mason, or no matter what order or lodge he may belong to. We care not what party affiliations they have, and we feel that in the last analysis the Company and the employees have got to get together. One reason why we studiously left out the question of arbitration was because we did not want to even hint that we could not compose our own differences without outside help. That may be a weak point or a strong one; it is a question of point of view or of feelings, not facts. We favour the idea of settling our own differences in our own organization and not referring them to anyone outside.

Address of Mr. W. H. Winter, General Superintendent of Plant, Bell Telephone Company of Canada, Montreal.

Mr. Chairman and gentlemen, I appreciate the opportunity to speak in favour of joint industrial or plant councils.

The question of employees' councils has been a very live one with us, and I would like to endorse many of the things that have been said by other gentlemen in conference here today. As a matter of fact, we got the idea of organizing councils from the American Telegraph and Telephone Company in the latter part of 1918. In the early part of 1919 we concluded we would try to put across the proposition with our supervising staff. We had the experience that many others have had—that, owing to the old school being dominant many supervisors did not take to it kindly. Some of our officials absolutely talked it down with the result that we had to let it go by at that time, believing that unless we had the co-operation of the supervising officials we could not do very much with employees' councils.

Later on, during the summer of 1919, we put the proposition before our employees at meetings held in the various centres where we operate. The employees took to it much more readily than the supervising officials had done; in fact, it was practically unanimous in every case that councils should get organized in the plant department.

We did not go very deeply into the question of a constitution. A draft agreement was submitted to three of our largest bodies of employees, with the request that they make additions and changes to suit themselves. The result was the agreement we have with approximately 45 different plant councils.

The objects of the plant councils are "To provide a means whereby employees may crystalize and present their views collectively to the management with respect to wages and working conditions, through channels supplementary to the existing organization;" and "To provide the management a means

whereby it may better know the preferences and appreciate the points of view of the employees working under supervision."

We have found that plant councils do a great deal more than is set out. They have undertaken to go considerably further than simply wages and working conditions, and the management has been able to obtain a great many good points from the employees. The membership qualification is three months' employment with the company, and for employees' representatives on the committee the qualification is one year's employment. There are no membership fees to the plant council and the company pays any expenses incidental to operating it. The plant council is made up of the plant employees in an area who are regularly proposed and elected. An area sometimes covers considerable territory, and at other times only a city. Regular meetings are held once a month; but the plant council may decide by resolution to call off a couple of meetings in the summer months, and we have no objection to that. The rule is that a week after the regular council meeting of the employees—which is held on their own time, usually in the evening—the representatives and management committee meet and bring up any matters they wish for discussion.

In the early days we had experiences similar to those mentioned by some of the other gentlemen. The representatives were more or less of a grievance committee. This company had been in operation for almost forty years without any organization, and without any troubles to speak of, but there were a few grievances that had to be straightened out. As a rule they were trifling matters, some rule not understood or necessary or that some supervisor had inaugurated, which were a cause of irritation. The result is now that the joint meetings have become a constructive function for the benefit of the service, and when there is nothing to bring up by either representatives, we have so arranged it that one of the members of the management committee would give a talk on some subject so that the committee will not lose interest in the meetings.

We think that the meetings should take place regularly, that they should never be missed and that it is the duty of the company to see that there is something of interest brought up. That system has worked out very satisfactorily. In addition, at the regular council meetings during the winter months, after the council have finished their meeting with closed doors, the officials of the company, both of the plant and other departments have been invited and arranged to give talks on various subjects pertaining to the business. This has been of great benefit to the *esprit de corps* of the employees.

One of the main things we have found about plant councils is that we have got to give reasons and not excuses when we cannot meet the wishes of the employees; and that even if we have to give a negative decision we must be honest and tell the truth about the matter.

We have councils for the plant department and exchange committees for the operators and we also have committees for the larger accounting and commercial offices. They are all worked out on pretty much the same plan as the plant councils, except that the latter are purely committees and do not have the same organization as the councils. We have got to the stage now where the councils are carrying on constructive work. During the last eight or nine months the Company decided, as they were going to go to the public to ask for increased telephone rates, that it would be a good idea to get our 13,000 employees busy to help boost the business along. The plant councils have been a great factor in moulding public opinion in regard to the Telephone Company. In some places, of course, the people think yet that the Telephone Company is a

sort of monster; but nevertheless we find that throughout the country the work of bettering public relations which we put into the hands of our employees has undoubtedly done a great deal of good. There is just one instance that I may mention. Our plant councils in Montreal and Toronto volunteered their services as guides in order that subscribers could visit the exchanges; and in those two cities over ten thousand people visited the exchanges in one week. The members of the plant councils gave their time free and conducted the people around the exchanges. That is one of the particularly good jobs done by our plant councils.

In addition, many of our officials have on invitation of the plant councils given them talks. This was something never known of in the company before, because we were one of the conservative companies that ran along as a happy family. But times have changed, and we find today that it is very necessary for the supervising officers to get in closer touch with the employees. Years ago a superintendent of course knew everybody in his department. Today that is impossible, but nevertheless there is a great chance for doing good by keeping in touch with the employees through the council meeting talks.

One of our great difficulties of course has been to get our lower-supervising officers properly educated in this matter of employees' representation. This is a difficulty which is hard to overcome, but we are getting there gradually, and we believe it will eventually work out satisfactorily.

The time is coming now when the Telephone Company, like every manufacturing company, has got to produce for less than the present cost of production. Naturally, like all the rest of the employers of labour, we do not like to consider a reduction of wages if it is possible to carry on in any other way. But the plant councils and their committees have been fair when wages were going up, and we believe that they will be fair when if necessary the wages have to be lowered.

We are finding out that the employees want to know more about the company; they want to know about the balance sheets and the costs in their different areas. A few years ago nobody seemed to care what things cost; but today, even in the isolated areas, the employees are anxious to know what things cost.

Of course the average length of service of our employees is very high, and our labour turn-over in the past has been comparatively low. Under those circumstances we expect that we will be able to talk to our people, and that they will look at the conclusions which may have to be come to in the near future in a spirit at least of fairness to the company and to the public.

In the city of Toronto, in the spring of 1919, our staff was very largely organized, but regardless of that, at a meeting of about 400 employees, they voted in favour of plant councils. The President of the Council made the statement that it did not in any way affect their status in unions.

I have nothing else to say except that I think this is one of the things that will save the situation at the present time, and I am heart and soul with this movement. As Mr. Coffey has said, the closer you can get to your people the better you will come out in the end, and while this is not going to clear up all our difficulties, still we have gone a long way towards that end.

MR. MACLACHLAN: Mr. Winter, I was not quite clear whether the representatives were paid or whether they met on their own time. Perhaps you could clear that up. There is another thing: no doubt you have to bring men some distance to these meetings. Are their expenses paid or not? Another

point—although I am not a representative of a public utility, I am in touch with many of them, and I would like to know how this scheme works out, as to linemen.

MR. WINTER: The plant council meeting is held on the men's own time; the employees' representatives and the management committee meet on the Company's time. The Company permit men located from area headquarters to attend the plant council meetings at the Company's expense. In so far as linemen are concerned, we have not provided in our organization for special councils for special classes of employees. Each class of employees in the area elect by ballot their representatives to the committee of employees' representatives. It is a combination committee made up of representatives of the different classes. The number ordinarily is restricted to 7; but in Toronto and Montreal, where there are a larger number of classes of employees, by resolution they changed the number to 10.

Remarks of Mr. F. J. Gernandt, General Superintendent, International Harvester Company of Canada, Ltd., Hamilton.

Mr. Chairman: We have at the Hamilton works of the International Harvester Co., a council which was inaugurated by a large majority, and almost everybody feels satisfied with it. We have our committees, one-half employee representatives and one-half management representatives that look after matters under their jurisdiction around the plant. Lately we have had to relieve some men and we have always made adjustments through the plan. In some cases the men feel that they are not told enough about these matters, and I don't know but what they are right. Whenever a difficult situation arises the Secretary tells us about them and we straighten them out as soon as possible. Some of our men are not hardened politicians, and do not like the criticisms which may be directed at them and do not like the remarks of their constituents, and this makes it pretty difficult for the Secretary, who has to keep encouraging and pointing out the proper procedure.

Our foremen and assistant foremen, like those mentioned by Mr. Winters, need enlightening. We are trying to do as much as we can in this way, and we believe that if we could get the message across to everybody that would be almost the end of our job.

Last Thursday at the council meeting I had occasion to ask the meeting to consider lowering our common labour rate minimum from 45 cents to 40 cents. I explained the reason for it, that the condition of the business really meant that the local management would be criticized if we were paying more for common labour than our competitors. After going over the ground it was reluctantly concluded it was the only thing to do. Like other members of the conference, I feel that if there is a thorough understanding of the facts by both sides there will be no difficulty in arriving at a solution of most of the problems we have to face.

Address of Mr. F. T. Day, Secretary of the Hamilton Harvester Industrial Council, International Harvester Company of Canada, Limited.

Mr. Chairman: The employees of Hamilton Harvester Works number about 2,000, and for election purposes the plant is divided into eight voting divisions. From each division an employee representative is elected, by secret ballot, and to illustrate the interest taken in the Council plan at our works, I can say that at the last election, held in December, there were more candidates and a larger vote was polled then when the plan was inaugurated in March, 1919.

The management representatives are appointed by the Superintendent and usually consist of department heads and foremen.

At present our employee representatives are composed, I think, of six Union and two unorganized workers. These meet at least once a month separately before the regular monthly council meeting to discuss matters and all look forward to that event with much interest.

It is our practise to furnish all Council Members with "an order of business" sheet at least three days before the council meets, that they may know just what business will be brought up and any matter not on the regular order of business must be, and frequently is, discussed informally.

When any suggestion or complaint is presented, it is my business to see that it has first been put through the proper channels; that is, presented to the foremen or superintendent for adjustment before it can be brought up in council, and it is seldom that any such matter is not adjusted by foremen or superintendent. I have found the men fair and have never had any real difficulty with them. In any fair proportion that has been made we have had their co-operation and there has not been any approach to a strike since the council was inaugurated at Hamilton Works. It is true that many complaints have been made, for which there was no cause, but when explanation was made the employee representatives were satisfied and adjusted the matter with their constituents.

When asked their opinion of the council plan, as we have it, both employee representatives and many workmen have stated that the plan is capable of great possibilities. Our men are familiar with other plans and when asked if they knew of anything that would improve the plan as it is, replied in the negative.

Hundreds of suggestions have been made to better safety, sanitary and working conditions, which have been accepted and adopted, and also, a number that have meant a real saving in many cases. I particularly recall one case, of an employee representative, who is a chipper in our Grey Iron Mill; he had a great deal of difficulty owing to some fault in moulding, in getting out enough castings to make a day's pay and went direct to the foreman and workmen and pointed out where the trouble lay and suggested a remedy and the difficulty ended right there. Others have pointed out where sizes of stock more suitable for the work in hand could be used and a saving made that way.

Individual adjustments of day and piece work rates downwards were recently made and there was dissatisfaction on the part of the employee representatives for the reason that they felt they should have been consulted fully before such action was taken, but it was not hard to show them that as they were not consulted when individual advances were made they should not object to a revision downwards when conditions warranted.

Our council men are paid for time spent on council business, but they have met a number of times and adjusted complaints among themselves without cost to the Company. They also spend a great deal of time after working hours for which they receive nothing, visiting the sick of their divisions, a list of whom is furnished twice each week. They have also been active in inducing workmen to join our Employees' Benefit Association and have been instrumental in bringing up the membership to about 85 per cent of the total roll. Ways and means for increasing production are frequently discussed at council meetings. Several good suggestions for eliminating waste have been put forward, and many ideas brought out that have effected real savings to the Company. Each of our employee representatives has the privilege of appointing a deputy to assist in his work, as he often functions in half a dozen departments. The deputy assistants are little cost to the company.

Our council does not meet as opposing bodies, that is, management representatives on one side and employee representatives on the other side of the table, but sit alternately side by side and are very friendly.

The workmen's representatives suggested inviting foremen and other employees to council meetings and this is a great deal to spread the council idea in our works. I will cite an incident. Last Thursday we asked in a man who openly ridiculed the council, stating that it was a joke and that the workmen's representatives really had nothing to say. When I asked him the following day what he thought of the meeting, he said: "I had no idea that it worked out the way it does and after the frank and free discussion which I heard, and seeing the open manner in which business is conducted, and especially after witnessing the efforts of the employee representatives to protect the men in the matter of reduction of common labour rate from 45 to 40 cents per hour, I am sold to the council idea and hereafter will do all I can to help the good work."

THE MINISTER OF LABOUR: How often do your elections take place?

MR. DAY: Every six months.

THE MINISTER OF LABOUR: Are the representatives eligible for re-election?

MR. DAY: Oh, yes.

THE MINISTER OF LABOUR: How many have been re-elected?

MR. DAY: Six out of eight were re-elected, some of them by acclamation.

THE CHAIRMAN (Mr. Brown): Mr. Reilly, you have been listening throughout the discussion. You are interested in this subject from the point of view of building and construction, a somewhat different interest from the factory point of view which has been presented in the discussion and we would be glad to hear from you as to your experience with joint councils as established in Ottawa, Toronto, Hamilton, and London.

Address of Mr. J. Clarke Reilly, Secretary, Association of Canadian Building and Construction Industries, Ottawa.

Mr. Chairman, and Gentlemen, The building branch of the construction industry is in quite a different position to the industries that you have been speaking about. It is different, in the first place, because ours is largely a seasonal occupation. Most of our work is done in the summer months, though a certain amount of construction work goes on through the winter. We are not in the same position as you gentlemen in another respect. In most of the plants referred to by the previous speakers, the employers were the ones who were organized. You have referred to some extent to Unions among your employees, but they seem to be almost a negligible quantity. With us, it is the other way about, the employers are very poorly organized, and the employees, especially in the skilled trades, are very highly organized, and represent a great proportion of the men who work for us.

Our work in connection with Joint Industrial Councils is of a recent nature. You heard this morning from Mr. MacLachlan of the inception of the council in Toronto. That Industrial Council has furnished the basis for the others which have been instituted since.

Ottawa is unique in that it has had a closed shop agreement between the local Association and the local Building Trades Council, so that the questions which were referred to the Industrial Board have been of jurisdiction between one trade and another, questions of difficulty between a foreman and workman, questions raised by employer against workmen, and in some cases, the decisions given have been against the employer.

In Hamilton, an Industrial Board was formed in the building industry last year, which has had only one important question to deal with, but in that case the result was quite satisfactory.

In London, there is a Joint Industrial Board which has been doing good work.

There is one feature which I would like to speak about. As a result of our Annual Conference a year ago, we appointed a Standing Committee on Labour. This Committee had a meeting at Hamilton in May last with representatives of the International Unions in the Building Trades, and as a result we decided to inaugurate a National Joint Conference Board, which would have equal representation from our Association and the International Unions. Meetings are held once every three months, and while the Board has not endeavoured to be a court of appeal from the local Boards, still it has taken up questions of national importance, and has acted in an advisory capacity. The Chairman, Mr. Quirk, is appointed by the Department of Labour.

This National Joint Conference Board has discussed questions ranging from housing to conditions of employment in various centres. It is endeavouring to standardize the practices and organization for the local boards. It is now trying to get a standard agreement for apprentices in our industry, which we feel is a very important work. I think this National Board has been a successful experiment, and as it goes on, there will be found many new lines on which it will be able to work.

The idea of conference between employer and the employees has been gaining ground, and it is significant that men will travel two or three hundred miles at their own expense, and spend a day or day and a half of their time in order to attend these meetings and discuss questions with the representatives of the employees. The benefits that you gentlemen have found in the Joint Industrial Boards in your organizations, we hope to see duplicated in our industry along lines suited to our peculiarities of organization and working conditions.

Address of Mr. J. D. Jones, General Manager, Algoma Steel Corporation, Sault Ste. Marie, Ontario.

Mr. Chairman and Gentlemen, we have not an organized industrial council at our plant, but we do function somewhat along the lines prescribed and laid down by you gentlemen in the previous discussion. We function through several departments or committees, one of which, called the Allied Relief Committee, is about as old as the plant, or 20 years old, and which up to the time the plant started to grow took care of pretty nearly everything.

In 1918 we organized what is called our Welfare Board. This Board looks after the question of safety from the employees' standpoint; it operates a club handles a plant paper, runs our plant restaurant, and has jurisdiction over the recreation and education committees. It is a responsible institution, and it is up to it to operate things and not to run into the hole and then come to us for help.

In addition to this we have a Plant Committee, which has no other jurisdiction than to discuss wages, hours and working conditions. Then we have divisional or departmental committees which, in a sense, are grievance committees, and look after the matters that may arise in their departments.

It may be interesting to note that our Plant Committee has met the management twice in the last ten months—once last April when we called them in to discuss an increase in wages, and once in January of this year when they were called in to discuss a decrease in wages. Some of the gentlemen around the table here have expressed a fear that perhaps their plant councils will not function when it come to the question of a decrease in wages. I may assure them that we worked that question out all right, and we did it along the lines mentioned by Mr. Ching, Mr. Sinclair, and others. We were very frank with the committee and told them exactly what the situation was with respect to the market and the

going price of steel, and we worked out very carefully for them the relation of wages to the producing cost of steel in connection with other factories, and put it up to them in a straightforward businesslike manner just as we would to the board of directors, and they were very agreeable to it. We were almost two weeks before we put into effect the reduction, which was seventeen and six-tenths per cent, and over 90 per cent of our employees were satisfied.

Another question that was raised while we were organizing the plant committees or industrial councils was whether agitators would not start trouble, and whether we would not actually become a closed shop. We do not care whether there are agitators on the committee or not. We let them come in with the rest of the boys and we present to them cold hard facts, and they have to stretch things pretty far before their co-workers will be carried away.

In analyzing conditions—and we are working with the idea of co-ordinating these committees and establishing a plant council—we have found the big stumbling block to be our foremen. It does not make much difference what I or the manager may desire to have done or what our general superintendent or department heads may want to have done. We may discuss something in council and agree on it, but after all it gets into the hands of the foreman in the shape of an order, and he is the fellow who has got to do it. We have spent a year or more in weeding out incompetent foremen and in checking up others who were indifferent, and educating other men for the position of foremen. We are just now commencing to get the results, and we hope that within the next few months we will be able to put into execution this organized plant council; but we do not want to proceed before we are sure that everybody from the manager to the water-boy is thoroughly educated to the nature of it.

Tuesday, February 22nd, 1921.

THE CHAIRMAN (Mr. Brown): Yesterday afternoon the speakers followed around the table one by one, and I think this morning we will all be interested in hearing what Mr. Olzendam has to say as to what the Spanish River Pulp & Paper Co., is doing in this regard.

Address of Mr. R. M. Olzendam, Secretary, Department of Industrial Relations, Spanish River Pulp and Paper Mills, Limited, Sault Ste. Marie, Ont.

Mr. Chairman and Gentlemen, I wish to express to Senator Robertson my great appreciation of the invitation to be here today. It was the pleasure of the Spanish River Co., on the 8th of January this year to have Senator Robertson present at the annual President's Banquet, and anything the Company can do to assist him in his work will be only too gladly done, because the talk he gave our men at the banquet set everybody in the mills and offices thinking along new lines.

I was very glad to be here yesterday and to hear of the various experiences of the gentlemen present. I fear that I have not a great deal to add to what has already been said—all I can do is to tell you of our experiences to date. We feel that we are at the present time merely on the fringe of the question. We have instituted a number of plans among our employees, but we have not yet arrived at the point which has been reached by many of you gentlemen—that is we have not industrial councils operating in our plants.

We have approximately 7,000 employees in the mills and in the woods. It is a very difficult thing, as you probably can imagine, to start what we might call industrial relationship plans in the woods department. We wanted to make sure that whatever moves we made were well grounded, and therefore we have gone with a great deal more caution than perhaps some other companies have.

We have gone slowly in an effort to bring all the facts as we saw them before the majority of our employees. To begin with—which probably is different from any companies represented here today—all our employees organized under two unions; the International Brotherhood of Pulp and Sulphite Workers and the International Brotherhood of Paper-makers. The company recognizes both these unions and has working agreements with them lasting a year and covering wages and working conditions. Therefore, I believe, our problem is different from that of any of you gentlemen.

Of course, one plan might work in Spanish River which would certainly create chaos in the United States Rubber or some other company, and our experience is purely within the Spanish River Pulp & Paper Co.—and if we can solve our own problems and promote harmony and good fellowship in our organization that is all we can hope to do. And if every gentleman here would do the same within his company we would not have any labour troubles or strikes or anything else of that kind. That is the theory upon which we are working.

Mr. Mead, the President of the company, made a statement at our banquet this year which seems to embody the thought we are all after, and with your permission I will read what he said: "The management of the company feels that the more closely we can become associated with the men upon whom we depend for our daily operations, the more fully we can inform these men of what we are attempting, and the more intimately they know the thoughts of the Executive and the Directors and the Managers of our various departments, the better we can all in co-operation accomplish that which is desired by the people who have entrusted to us the money invested in our several plants." That is the basis on which we work, and we believe that is sound.

To start with, our theory is that the management must be the beginning of all things. The men who compose the management must be imbued with the desire to create within the organization that certain indefinable something that we call company spirit. Unless a majority of the management instinctively have the desire to do that all plans are bound not to succeed.

We publish every week a plant paper known as the Spanish River News. We started this about two and a half years ago, and had great difficulty in getting the men to even contribute enough material to make it an 8-page edition. Today we have a great deal of difficulty in crowding all the material which the men send us into 24 to 40 pages per week. Recently, for economical reasons, we have cut down the paper to every other week, which makes it next to impossible to publish all the material sent in. That comes from all classes of men within our plant, and the material which they send in is increasingly constructive and useful. We find that there is no better medium to express to our employees the desires of the management, and for the employees to express their desires to the management than through the columns of our paper.

Two years ago we started a series of editorials, and decided to base these upon a statement of the President. When he said: "The operating policy of this company is to organize through spirit and enthusiasm to the point of maximum efficiency," we took that sentence and tried to develop it in a series of editorials which appeared upon the second page of the paper. We gradually got the men to realize that if they would open their plant paper and turn to the second page they would find something there that was really for them. Now we know that when a man gets his paper the first thing he does is to turn to the second page, because we make a point of putting something that he is after on that page. We developed this idea and went on to show that it was just common, ordinary, every-day stable thinking, as someone said yesterday—horse sense—and we stated these principles as simply as we could.

This went on for about a year. Then we embodied these editorials in a small booklet called, "What Spanish River Stands For." The Manager of Manufacturing wrote a letter to all the employees of the mills and the Manager of the Woods Department wrote a similar letter to the woods employees. These booklets were given out to the employees with the pay cheques. We wanted to make sure that the men understood the policy of the company first; then we decided to follow that up with a small book on plant councils.

The Department of Industrial Relations of our Company made an investigation in the United States and Canada and Great Britain of various plant councils, in order to get at the meat of the subject, and the result of their investigations was also published with a letter from the manager, and given out to each of the employees. We were looking, of course, all the time to the establishment of industrial councils, which we believe will bring together in one group all the matters which concern the relations of the men to the company.

We did not want to put this plan into operation until we were absolutely convinced that the majority of our employees, both in the office and in the mills, really wanted an industrial council. We realized that some companies had put councils into effect because they felt that certain difficulties were impending, and that if a council was in operation it might ward off some of those difficulties. We had no difficulties to ward off; therefore, we could proceed with education, and slowly. The manager of the company might have said to the superintendents: "We are going to put into operation an industrial council and we want you to back it up." And they would probably have said: "All right we will do it." But that is, you might say, a bit autocratic. He could say: "We are going to do it now. Come on." Or he could say: "We desire to do it, but don't want to do it until you are all convinced that it is a good thing." That is our whole theory. We have not councils today.

As I said in the beginning, we feel that we are merely on the fringe of the problem. If our employees change from week to week and month to month and our labour turn-over is very high, we cannot expect to put into operation certain plans which must have the backing of the older employees—that is those men who really think—so we must first of all build up a group of men who understand the policies of the company; and that cannot be done over night.

Some people think that kind of thing can be done in a very brief time; but to take a group of reactionary men—not that they are all reactionary, but there are a number of men today who have been brought up in the old school and who do not desire to see any change—and to expect to change them over night is too much. It can only be done by the process of education. The ideas of the President must filter through to the very lowest sub-foreman, because, to the men, he is the company.

You, of course, have all heard organized labour leaders say that if you give the men an opportunity to express themselves and show what really is in their heads, they will do it. Going on that theory we decided that if we were to have plant councils—which is the ultimate as far as our present plan is concerned—then the men should certainly be able to handle simple things such as a voluntary relief association or safety or first aid. So we started them on the ABC of this. We have a first aid equipment and corps—and in one mill it is going better than in another—and I am very much in hopes that in the course of the next year we will be able to put the thing on a very firm and lasting basis.

Of course, a Christmas present is a good thing, we believe; therefore we give the employees a Christmas present of a day's pay for Christmas day plus \$2.00 for every year they have been with the company—and that is appreciated.

Each year we have the President's annual banquet, which I believe, is the greatest event for the men in the Spanish River calendar. We asked the employees in each plant to elect from their own number a certain number of men—in one mill 21, in another 16, and in a third mill 14—based upon the number of men in the plant. These men, when they are elected by a vote, elect from their number a speaker. That speaker is assigned a subject which works in with the general plan of the banquet. These men come to the banquet at the expense of the company. As I said, this year we had the honour of having Senator Robertson as our chief speaker. Mr. Mead presided at the banquet. These speakers from the three mills are expected to represent the views of the men in their respective mills. This year the speeches made by these men were first read to a mass meeting of the men, and approved by them, before they were delivered at the banquet. In that way we know exactly how the employees feel. It is a great feed, and they have lots of songs. The fellows write parodies, and we have an orchestra and a song leader, and they enter into the spirit of the occasion with a great deal of enthusiasm. We believe the banquet is very much worth while in binding together all departments from the management down—the sales end the woods department, and the operation.

We believe that simplicity in these plans is really essential, and that the more simple they are the more workable they will be. Our outline for industrial councils has been worked out to fit entirely with the men. They have made their suggestions. We do not propose to put this into operation until it is exactly as they all want it to be. It must be approved by the manager and then by the men, and we want them to have just as much voice in it as we have. I believe it is going to work out.

As I said in the beginning, we have labour agreements covering wages and grievances, hence the questions of wages and grievances will probably never come up in the industrial council. They would be worked out with the regular committees of the unions and the International officers. The matters, therefore, that would come up before the industrial council would be more constructive matters. I know that if I thought the council were merely for the purpose of settling such matters, and that we were to scrap over little points that do not mean anything, I would not be as enthusiastic as I am. I believe that if we handle these matters of wages and hours and working conditions as we always have handled them, and turn our councils into constructive bodies, we will really get more of what is in the minds of the workers.

I will just give you an idea of some of the subjects that might be dealt with—this, of course, is in anticipation; this is all theory—we put first the desire to improve production; then there are working conditions, employees' safety, education, health and recreation. We believe that through these councils we are going to get ideas from the men as to the improvement of production; and our councils, we hope, will be taken up with the discussion of these things which have to do with the operation of the business. We have planned for each council meeting in each mill. For instance, next week at the Sturgeon Falls mill the hydraulic engineer will give a talk on hydraulic engineering in as simple language as possible, showing the men the plans of the company as regards water-power. The next week at Espanola the cost engineer will give a talk on costs. At our Soo mill the following week the assistant to the manager commercially will give a talk on the simple details of running the manager's office. We start very simply, with something they can understand. This would provide for each monthly meeting of the council. That is the plan upon which we will work when the employees have decided that they want to go ahead with the council idea.

I am convinced that the majority of our men are ready to proceed at any time we are ready. There is, however, one of our mills in which the employees

have told us that they are not ready to proceed; therefore we must go ahead and give these men further information.

I believe I have covered the general idea of the Spanish River Pulp & Paper Mills with regard to our preliminary work in relation to industrial councils.

THE CHAIRMAN (Mr. Brown): Is there any question that any one would like to ask arising out of Mr. Olzendam's address?

MR. STEVENSON: I should like to find out if the Spanish River Co. have had any expression of opinion from the unions with whom they do business as to the formation of these councils. Has there been any opposition, or do you anticipate any difficulty in that line?

MR. OLZENDAM: We went into that matter very carefully because we wanted to make sure there would be no obstacles in the way of the councils. Therefore we have seen personally the Presidents of the two International Unions. We discussed with them our various plans, outlining in detail everything we proposed to do, and asked what they thought, and we secured from them letters to their various orders saying that they heartily approved the Spanish River idea of councils, and desired that their men should do everything possible to advance the councils.

Discussion on the Subject of Plant Magazines etc.

THE CHAIRMAN (Mr. Brown): Mr. Olzendam has spoken at some length on the preparation of the field through the publication of material. Is there anyone who would like to speak particularly to that point? It is an important one.

MR. YOUNG: Speaking to the point of publicity, I may say that during the past year we have had a very interesting development directly attributable to the works council. At 17 of our plants we have works magazines. In each case the name of the magazine has been chosen under the direction of a committee of the works council, and a small money prize for the best name for the publication has resulted in selling the idea to the employees generally. Some of the names have a great deal of merit. At one of our wagon factories the name chosen was, "The Spoke and Tongue." At Auburn, a twine mill and tillage plant, the names "Tillage and Twine," the letters T.N.T. being emphasized. At the tractor works they have "The Tractor Interester," the last word being accentuated and coming from the name of the company. St. Paul chose the name "50-50." We originally had two magazines at Hamilton; the Hamilton Plowman and the Harvester Bulletin. About 30 per cent of the contents, never more, may be classified as propaganda. We restrict ourselves to that, and seldom exceed 20 per cent of the total. We try to make each magazine carry as much of a local punch as possible, and publish all the plant gossip we can get through the associate editors. There is in the Chicago office an editor-in-chief of all publications, and at each plant there is a local editor. Each council has a publicity committee which functions regularly in the preparation of minutes. The duty of the secretary is to get verbatim minutes and from them to prepare a brief summary. This is not verbatim, and it is not issued until it has been approved by the works committee; but in all our plants the fifty-fifty balance is preserved. Originally we distributed the works council minutes as a bulletin. We mimeographed a number of copies giving each employee representative one, or two, or three, or five copies and put them on the plant bulletin board. That method was not conducive to the widest publicity. Men would not stop long enough to go through the several pages, or at noon they

would congregate round the bulletin boards in such numbers that it was not possible for all of them to read the minutes. So, as we were anxious to get them into the hands of every employee, the plant magazines came as the natural fruit of the plan. They have been somewhat expensive. Last month our average cost of publication was 8 cents per copy, which is the cheapest month we have had, some of the individual publications for small plants having run as high as 15 or 16 cents. In the year 1920 we spent \$41,000 for the publication of our plant magazines, which is an expenditure of about one dollar per year per employee. It is not probable that the cost will go higher than that this year, although last year we did not publish plant magazines throughout the whole year at each of the plants. We feel that this expenditure is thoroughly justified, because it is a strong factor in making that point of contact between the men and the management which is lost through the introduction of big business.

We have many requests for the magazines. Some thought at first that we would find many magazines scattered about the plant or thrown away. I have repeatedly asked to have a check made of that, and we have yet to find a single copy that has been thrown away. We scale the number of our magazines very carefully with the number of employees in the plant, and we are always undersold because many employees wish copies to send to friends or to fellows who have left the service. Our mailing list is growing, and it is getting to be quite a problem. I believe, however, that we will have authority to increase the number published, and can carry on our mailing lists men who have been laid off, and will probably come back when business becomes normal again.

I think our development has been more sound than it would have been if we had simply adopted a general company policy and started the publications without reference to the men, and particularly without provision for local and sub-departmental editors.

MR. SINCLAIR: The Imperial Oil Company are fully conscious of the importance of this matter of publicity, and are of the opinion that it affords a very successful and effective means of coming into contact with each of the employees. We have found that we are able to establish very cordial relations between the heads of departments and our employees by means of papers and publicity. In each of the councils we have two copies made of the full minutes, one remaining for the employees in the plant. This is put up in a prominent place and is read very carefully. The other copy goes to the office at Toronto, where it is gone over very carefully and is answered by a letter speaking more or less intimately and directly to the men through the superintendent. In that connection there was a request from Ioco to publish a copy of the minutes of the plant in our "Review." We felt, however, that this might not be wise, as those minutes relate to a particular council and to a certain extent are private. I have here a copy of the plant paper, the "Ioco Times" in which word is sent from the President, the vice-President, and the manager and some of the directors as well as myself, which in a very intimate way brings us into cordial relations with the men.

There is no hesitation on the part of the men in conducting this paper. They feel that it is a real bond of union between them.

Then we have what is called the "Sales Motor," which of course refers more particularly to the marketing division.

In addition to these we have what we call the "Imperial Oil Review," which I think is a very fine means of communication with our men. We have 7,400 of these printed 12 times a year. We expend about 16 cents a copy on it,

which would bring the cost up to something between \$2 and \$2.50 per year. We send this out to all our employees, and in addition we have a mailing list containing the names of the leading men of Canada to whom we send it as well.

I am finding that the "Review" is a splendid means of bringing about co-operation and of bringing to the attention of the men such matters as annuities, insurance, sickness and accident disability. I can corroborate what Mr. Young has said, that these publications are eagerly looked forward to. They are snatched up by the men, who take them home and read them, and even keep them, in that way showing their interest.

When this matter was brought to the attention of the French people in Quebec, for whom our company always has a very high respect, because we realize we are all Canadians and that if this country of ours is to arrive at that stage of development which we desire it must be through the cordial co-operation of all of us, French and English, Catholic and Protestant, labour and capital—it was decided to publish a copy in French. This plan was adopted so that they would understand that there was no nigger in the fence, and it was thought by this means we could speak to them in a very effective way. This publication brought before them intimately the outline of our plan of annuities and insurance and sickness and accident disabilities. We found that this was worth while. It was an expensive procedure and cost us a great deal of money and a good deal of work. We have a man at the head of this work who gives a great deal of his time to the carrying on of this publication; and although, as I have said, it costs a good deal of money, we feel that it is worth while, and I believe that as days go by we will realize how effective a means it is of bringing ourselves into intimate touch with the men.

MR. WINTER: Do I understand that it is the practice of the Imperial Oil Company to issue a French copy of their magazine at the same time the other one is issued?

MR. SINCLAIR: We had this one copy in which the details of the plan were fully outlined in order that the French people might understand the details of it. We thought it was worth while to print a separate copy, and if the Department would like to have it I have one here that I would like to present to them.

MR. WINTER: That is one of the very difficult questions asked by companies who have a large number of French-speaking people in their employ. The Bell Telephone Company has been considering for some time the publication of a magazine, and that is one of the points that we have thought would be very difficult to deal with, as there is not a sufficient number of French employees to warrant the publication being printed in the two languages.

MR. CHING: Mr. Chairman, speaking of printing magazines in various languages, we have a plant where there are employees of possibly 46 different nationalities. We printed some parts of plant papers in French, Italian, Portuguese and other languages. There is one place where we printed a part of our paper in Polish, one side in English and the other in Polish.

MR. JOHN R. FRYE: Would you like to know what we are doing along the lines of publicity?

THE CHAIRMAN: Yes; I think we would all be interested in a statement of your company's attitude toward publicity, Mr. Frye.

MR. FRYE: We have in our company one publication, which is known as "The Dominion." This paper is more along the lines of a house organ, and goes to the heads of departments, foremen, salesmen, etc., but does not go direct to the employees themselves. I believe that in the past history of the Con-

solidated Rubber they have had several other publications which were issued at the plants, but each one of those in turn seems to have died out. I believe in the publication of these papers, but I have had it in the back of my mind since we have gone into this industrial council work and had this planned out, that the management should not announce or go ahead with the proposition of putting out plant papers until such time as the employees or the factory council in any one plant feel the need of the factory paper. We are waiting for the time to come when the factory councils feel that they will want to get behind their own plant paper. I think that when that time comes there will be no trouble in the company coming across and helping out at the financial end.

Along the lines of publicity in the plant, notes of all of our factory council meetings are taken practically verbatim, and these are transcribed the morning after the meeting. The industrial relations man at the plant summarizes the minutes. The reports are examined by the secretary of the employees on the factory council; they are approved by the secretaries of the committee—which ever committee happens to be reporting—one for the employees and one for the management. With regard to all of our factory council minutes I have found that at the start our management people were inclined to report the meetings more or less along the lines of a parliamentary form, but in the different plants, one after the other, we have gradually changed the line-up of the factory council minutes in such a way that they are more interesting and readable to the people in the plant. That is, we take up the proceedings by subjects, and instead of reporting on each item in a stilted manner, the record is a sort of narrative, which may be three or four lines or a dozen lines, giving the gist of what was done on that particular subject. These minutes of course are approved, as I said before, by the employees' secretary and the management secretary.

With respect to the factory council minutes and the question of a plant paper, in the line of publicity, we have found that in our factory council minutes there are a great many things which the management wish to place before the employees and which naturally would get before them in the line-up of the factory paper. These different subjects have been taken up at our different factory council meetings and reported and published through our factory council minutes. These minutes are transcribed the next day and they are run through some sort of duplicating machine. Every one of the employee representatives in the plant and every one of our foremen gets a copy of the report of every single meeting in connection with factory council work. So that all of our management people and all of our employee representatives, whether they are on the committee or not, are informed of just what went on at the meeting. We also post a large number on bulletin boards throughout the factory. That is about all we do along the lines of interior publicity.

In regard to exterior publicity, such as write-ups in the newspapers or magazines, we have been very much against any publicity material going out to the magazines or the newspapers in connection with the work of the council; not because we are ashamed of it in any way, but because we want to be absolutely sure of ourselves and work this thing out first.

In connection with personnel work, I believe that when you start a factory council in a plant you absolutely require in the plant, besides the manager or the superintendent, a broad-minded man to give this his undivided attention. The duties and interests of the manager or the superintendent are of course intensive in some plants, and varied. It is not enough to have a good set of by-laws for the factory council, to have done a great deal of educational work

with your people and to have your management people lined up in pretty good order; it is necessary also to have somebody who is right on the job to see that the thing is carried through in a proper manner. We have in all of our plants somebody who is responsible for the details, such as preparing for the meetings. There are any number of little subjects coming up which there is no use in having come before a factory council meeting. Such matters are taken up in the same way as Mr. Day takes them up—with the foreman. He is a sort of balance wheel to the foreman. He tells him to soft pedal some particular action; that he is going a little too far in a certain direction. And he acts in a similar way towards the employees. He has to be very close to the employees and help them to line up and get the proper result out of their factory council. In some of our plants we have a man who gives full time to this, and in smaller plants a man who gives just part time.

MR. MACLACHLAN: There is one point I would like to bring out. Yesterday the speakers referred to the fact that we were completing a cycle.

The plant councils which have been described have been in effect for six months or over, very few having been put in effect since the period of depression commenced. I think it would be well for us, and for the companies that may be interesting themselves in plant councils to show something of the advisability of instituting plant councils at the present time, when most of the points to be discussed, wages and hours, will likely be in regard to lowering wages rather than raising them, and shortening hours rather than increasing them, which were the questions discussed some six months ago.

MR. CHING: Mr. MacLachlan has injected a very vital question into the discussion, and if I may be permitted to answer I will say just what I said yesterday. When you get a group of people together and place facts before them, you need not fear the results. Let us not get any mystery attached to this thing. Let us realize that it is merely a question of placing our views before our employees and giving them an opportunity of placing their views before us. If it comes to a reduction of wages or a lay-off, it is much better to do it through these means than to post a cold notice on the walls that wages are reduced to so-and-so, or that so many people are to be laid off. It is merely a case of getting together and explaining the circumstances, and when the facts are placed before the men I have not any fear of the results. Of course, it is not all plain and easy sailing. You are going to have your arguments across the board. You are going to have some good hot ones. Don't think that because you go into these councils everything is going to be smoothed out. You are taking on an additional burden, but you will always know where you stand and the other fellow will know also.

There is just one other point. It is very easy for us here, who are representing large companies, to discuss various plans of group insurance, annuities, profit-sharing, and all the other things that have been put into effect by large companies. But consider the situation in the United States. There, 95 per cent of the employers employ less than 250 persons. I believe only about three per cent employ more than 1,000 people. That is one side of the picture. Now, consider the other side. About 33 per cent of the employed are in plants having over 1,000 employees. I have always thought that there is a tendency in a conference such as this to look at the thing from the viewpoint of the large employer or the large corporation, whereas, in many cases, the difficulty starts in the small plants where you have, I may say, the autocratic boss,—the fellow who knows the business and is going to have his own way. Let us also consider that in Canada there are also many small employers, and that

we must not attempt to outline an industrial relations policy solely from the viewpoint of the large employer. If I were called upon to define an industrial relations policy my definition would be this: an industrial relations policy is that policy which will work where it is applied.

MR. COFFEY: I think Mr. Ching has raised a very good point indeed. Yesterday when I spoke with regard to the industrial council that we had in operation at our plant, I was speaking of what I think we may call a small plant. It is very interesting to hear of the wonderful schemes that some of the large organizations have; but I agree with Mr. Ching that the size and nature of the organization have a very definite bearing on the policy with regard to welfare activities. I know that so far as our organization is concerned we cannot very seriously consider some of the schemes adopted by the larger corporations.

I think the point raised by Mr. MacLachlan, and afterwards to some extent by Mr. Ching, is a very important one to consider. It really boils down to the question of confidence and contact, and if you have the right kind of contact I think you can solve anything. There is one thing of which I am absolutely sure, and that is that a small organization considering industrial councils ought to have very clear ideas as to where they should go and how far. I would certainly deprecate any idea of recommending that the small organizations should get into the field which has been entered upon by some of the larger organizations. That is a matter which is really open to debate. One feels sometimes that these problems ought to be tackled, but the difficulty is to know what to do and how to solve them. I think the questions of insurance and pensions for instance are very debatable ones, as to whether it is the function of industry to take care of such matters or as to whether it is the duty of the state or community.

One thing, of which I am absolutely sure, is that we have to get back again to the idea of imbuing every representative of the management side of the plan with the spirit of representing the company to his fellow workers. If that spirit prevails, we will solve our problems.

Proposal for Annual Conference on Industrial Relations.

MR. OLZENDAM: The thought occurred to me that it might be possible and it might be a good idea to form all the gentlemen present at this time—this is merely a suggestion—into a Canadian Industrial Relations Council, to gather information together from time to time and perhaps to put on a firm basis these yearly gatherings.

MR. MACLACHLAN: May I suggest that a number of us here are members of such a council in the city of Toronto. It was organized, I think, some two years ago, and we have had the pleasure of sitting in at various association meetings in the United States. I think the meetings in Toronto have been very beneficial. I think that possibly in other centres such a meeting together would be very beneficial. I think the meeting together on a national basis to simply discuss the matter between the large companies and the small companies, not forgetting that a number of these problems cannot be tackled by the smaller companies, would be of great benefit and that the suggestion put forward is worthy of serious consideration.

The association in Toronto is composed primarily of those interested in personnel work, particularly on the employers' side. It is divided into two distinct classes of members. Class "A" members have to be connected with a manufacturing or other type of plant; Class "B" members may be engineers, such as I am, or college professors, departmental officials, or others interested in personnel matters. The officers of the association must be class "A" members.

They hold meetings in Toronto once a month, I think, from October to May, and discuss such subjects as I have already mentioned; accident prevention, medical service, cost accounting, employment records, methods of employment and industrial councils. The attendance at these meetings would average, I think, about forty. I believe most of the employers of Toronto who are engaged in personnel work are members of the association, some of them being here to-day; there, of course, being many others.

The chief benefit of the association has been the discussion of problems that worked intimately into the daily routine of the men engaged. We have been discussing the broad principles, but they discuss the means of working out policies that have been laid down. Certain phases have been taken up; for instance, during the flu epidemic of last year I gave them a paper on the method of handling a flu epidemic in a city among their employees, and other different subjects have been taken up. They have gone outside their own association at times for speakers. Mr. Tom Moore spoke on the question of organized labour in industry. Other outside speakers have come in from time to time.

It is purely an association for the discussion of problems intimately connected with the routine of the various members, and, I think, has served a very useful function in carrying on that work. It was originally The Employment Managers' Association, but it was felt that that name should be changed to the Industrial Relations Association, and the change of name was put into effect. I think that in any large centre where there are a number of organizations interested in personnel work, it serves a very useful meeting place for the men connected with that work, so that they may discuss their problems as they come up.

The secretary of the Association is G. W. Allan, Care of the Consumers' Gas Company, 19 Toronto Street.

THE CHAIRMAN (Mr. Brown): I desire to state on behalf of the Minister of Labour, that we welcome the study and investigation of this whole subject, feeling that it cannot be otherwise than helpful, and we would welcome the extension of these study groups from one centre to another, and would be glad to assist in any way possible in furthering the work.

MR. CHING: I wish I could adequately express my appreciation to Senator Robertson and to the Department of Labour for the opportunity of being here, and I want you, Sir, to understand that I personally appreciate it more than I can tell, and the people that I represent also appreciate it. It has given me an entirely new view of the Department of Labour. I have seen the broad-mindedness and the wonderful spirit of co-operation exhibited by the Minister of Labour and the members of his department, and it makes me very proud of my home land.

In connection with the matter that has been brought up, I think you have here in Canada your organization; I think it sits at the head of the table. I think you have your opportunity for accumulating and distributing information and I have full confidence in the ability of the Department of Labour to carry on the constructive and co-operative work that has been started here.

THE MINISTER OF LABOUR: I am sure the Department, particularly so long as I have anything to do with it, will be delighted to be the convener of a gathering such as this, at least annually, if you feel that we would not be imposing upon your principals. I think such a gathering would serve a very useful purpose, and that by means of it we could from year to year gauge the measure of progress flowing from the efforts we are all endeavouring to make; and that, when we realize what has been done by probably 12 or 15 large concerns in Canada during the past 18 months or so—some of them having more recently commenced

—we could come back here a year hence and see a picture that would be very encouraging to us all. I think it is very important, that strenuous efforts along this line should be made during a period such as that through which we are now passing—even more necessary than in a prosperous time when everything is on the ascending scale. If there is no objection, we can just assume that a year hence, another conference of this sort, perhaps on a larger scale, may meet just as we have met now. And before you leave to-day, may I suggest that if in your minds it would be useful for the guidance of both employers and workmen throughout Canada that this delegation of employees engaged specially in this work—the desire of every one of you being to promote the best interests of both employers and workmen—should by resolution place your views in concrete form, it would be of aid to others in reaching a decision as to their future conduct respecting this question.

MR. COFFEY: Mr. Chairman, I should like to take this opportunity of endorsing Mr. Ching's remarks. At the same time, I should like to say a word in support of what has been said by Mr. Maclachlan. Mr. Maclachlan did very valuable work in the organizing committee of the Industrial Relations Association of Toronto. It was the feeling of most of us, and our desire, that we should some day in the not too dim and distant future see organizations scattered throughout Canada, so that ultimately there would be nation-wide organizations of men who were interested in personnel work of every kind. The work done in Toronto in the last two years has been wonderfully inspiring, and it is my hope, and I know it is Mr. Maclachlan's, that that work may supplement any work that an annual gathering like this might do. I think it was with that spirit and with that ideal that Toronto in supporting work of that kind added something to the accomplishment of industrial relations in Canada. I know the officials of that organization would gladly help in any way possible any group or section or any individual manufacturer. I know full records are available for any interested parties, whether on the side of labour or on the side of capital, and that we will gladly supply any information to anyone who desires it.

DR. SINCLAIR: Mr. Chairman, I also bear willing testimony to the fine piece of work carried out by this Industrial Organization in Toronto.

I think we are particularly indebted to the Hon. Senator for the very careful, comprehensive and wise statement made by him. I feel too that the suggestion that we should carry on from year to year is a wise one. It does appear to me that this piece of work, if it is to be nation-wide—and it should be nation-wide—should very properly come under the guidance of the Department of Labour. We are particularly fortunate in having at the head of this department a man who is appreciative of both sides of the question. In reference to the question that Senator Robertson raised as to the spirit that exists between the industrial councils and organized labour, he used the very careful word "antidote." As I understand it, organized labour has in mind the betterment of the conditions of the workman. That is the ultimate end of all their operations. That is the main idea also of the industrial councils. We are both headed towards the same goal, and we are both sincere, I think. We want to be frank; and if that is the case there ought to be no antagonism, no opposition on the part of either of these organizations to the other. I believe, after an experience of two years and over of the workings of these industrial councils in our own plants, that a very important contribution has been made to the solution of the labour question. I am aware of the fact that in certain circles in organized labour there has been some suspicion, and perhaps a lack of enthusiasm in regard to industrial councils. That is because of lack of education, but I believe that when education along these lines has become general, when the facts are known, we will all realize that there should be no antagonism to these organizations that are working

to the betterment of the economic conditions of the country. My own feeling is that there is a fear that industrial councils give a certain amount of control to the management. In our own plant we have not any arbitration clause, but we have found, gentlemen, that we have had two years of success. There has been harmony, and there has been a growing and continued growth of confidence. If the time should come when the matter of arbitration ought to be considered, we will cross the bridge when we come to the stream. We have found that the longer a man is in the employ of the company the greater is his loyalty and efficiency. There are bound to be a certain number of men who, because of lack of experience or because of a certain development or temperament, do not take kindly to it, but these men are becoming educated to it. I feel that the statement of the Senator has gone to the crux of the situation. I feel, as Mr. Ching has said, that it would be a good thing if this work were carried on under the conduct of the Minister of Labour, and I associate myself with that idea most heartily.

MR. MACLACHLAN: I have been trying to be brief, and I think perhaps my error is in being too brief in the proposition that I put forward. The smaller companies possibly cannot afford to send representatives to attend meetings here, even annually. In Toronto, the meetings are held weekly to discuss intimate problems, such as visiting nurses, physicians, accident prevention, and so on, with which time should not be taken up here. Those questions could be taken up with a great deal of benefit to all concerned. No doubt annual meetings of this kind, convened by the Minister of Labour, are a great benefit to Canadian industry as a whole. Having worked with the Department for some two or three years, I know very well what has been done by the present Minister of Labour in developing Canadian industry.

In speaking of another point that I raised, I had no doubt in my own mind as to the advantage of councils, even during a period of depression, but I thought it would be well to bring out the ideas expressed by Mr. Ching and others, for the benefit of some industrial leaders who were not sold on the idea of industrial councils during the period when the wages were going up, that now, when the shoe is on the other foot, possibly might be no time to put them into effect. Personally, I feel that this is a far more opportune time to put them into effect than previously.

MR. YOUNG: Mr. Chairman, I ask for your further indulgence in order to say a few words. I am here as your invited guest from across the line, and because of that, and because I am a citizen of the United States and can claim no Canadian connections, perhaps I can speak just a little freely on the subject we have had under discussion as to a possible conflict between the Industrial Relations Association of America and the continuation of conferences such as we have had here.

It has only been since I have been with the International Harvester Company that I have got across the line at all. I remember in my school days the United States was printed in pink in the geography, and Canada was printed in pale yellow. When I came across the line I looked for the dividing line, but I have yet to see any difference either in the country or in the character of the people. We are all of a common race, and, I am sure, will want to continue as such. The Industrial Relations Association of America, as I see it, is more concerned with the intimate tactics of carrying on the personal relationship than with developing a strategy so far as local meetings are concerned, and I want to say to you gentlemen of Canada that you are missing one big, fine opportunity if you allow to go unheeded the invitation of your Minister of Labour to continue such conferences as we have had here or fail to lend him not only your assistance but your active and hearty support in the programme which he has laid out.

The Industrial Relations Association of America has been in existence for some time, and yet it has not been called upon by the government to function along such lines as have been suggested here. I would like to suggest, Sir, that after all the two proposals made are not competitive but rather supplementary, the one to the other. I think the Industrial Relations Association will extend its work in Canada. I believe there will be in other communities, just as there is in Toronto, a grouping together of the men interested in personnel work for the exchanging of views and counsel as the development and furtherance of high ideals.

At the present time the only large clearing house seems to be the National Industrial Relations Association of America. I hope it will be international. It would well serve the Department of Labour in carrying out the programme which you have in mind, and I am sure you will always meet with an instant response from it. In the meantime you have an opportunity of taking advantage of this contact that has been established, and I would urge that if you have the certain broad strategy that you wish to develop you should feel free to call upon the people here and others with whom you come in contact.

I wish I could express as eloquently as Mr. Ching has done the pleasure that I feel, as a stranger from across the line, in being invited to attend this conference. It is only attempting to paint the lily to tell you how much bigger labour can be made by such contacts as this. I shall go back to Chicago with the feeling that I have greatly profited, and shall have in the future, even more than in the past, an earnest and sincere desire to co-operate with you to the fullest extent of my ability.

Statement of Mr. Quirk regarding the Operation of Joint Councils.

MR. QUIRK: Mr. Chairman, in the discussion before the conference to-day you have referred to communications from various employers and it has occurred to me that it might be of interest to tell what the other side thinks of industrial councils. There have been brief quotations of the opinions as expressed by the employees, but I rise to add from my own personal knowledge some opinions expressed by the employees in reference to works councils. The Minister himself assigned me to the duty of investigating this question, and, to be perfectly frank, I was not so much interested in what was said by the employers, because they can take care of themselves, and have an opportunity of expressing their opinions. Being anxious to determine the truth as to this work, I asked some of the gentlemen if they would allow me to come in personal contact with their employees, and I would like to express my appreciation of the courtesy and frankness of the way in which these gentlemen said: "Go and have all the talk you like with them." I had an opportunity of meeting the employees in many companies—probably not as many as I would have liked—and the opinion which I arrived at as to what the employees think is probably expressed as well as it could be expressed in the words: "Works councils remove all grounds for dissatisfaction, suspicion and discontent." Those to whom I spoke were men with long records,—one having a record of eighteen years, one ten years, and one four years. They expressed their opinions freely, and the essence of what they said was: "We have removed suspicion." This impressed me more than anything else, and I mention it for the purpose of corroborating what has been said as to the success on industrial councils.

General Discussion on Value of Personnel Work, Etc.

THE CHAIRMAN (Mr Brown): I think we would perhaps be interested in hearing from Mr. Young and Mr. Ching as to the value of the personnel work or

any other feature of the work which is being done in corporations in the United States, as well as from any among our own people here who would like to bring out this particular phase of the question. We have been discussing the question of publicity,—the written word. The Minister, I am sure, would be glad to have on record an expression of views as to the value of personnel work, for instance. Would you, Mr. Young, be good enough to give us your views and the benefit of of your experience on the foregoing subjects?

MR. A. H. YOUNG: Mr. Chairman, I outlined in some detail this morning the steps we are taking at our local plants, with regard to publicity, and the thought has been running through my mind as we sat here, "I wonder how you plan to distribute, if at all, the minutes of this meeting." I notice with a great deal of interest the supplement to the *LABOUR GAZETTE* giving a résumé of the status of joint councils in industry, national and international, and I believe it is an extremely valuable document. I have already asked you for a number of copies, which I intend to distribute to friends of mine in other companies as well as to a number of our own personnel men. It is an admirable brief on the subject. I would like to have at hand the expression of Senator Robertson in opening the meeting, and the various talks that he has given us. I have heard a great deal from Mr. Frye, and Mr. Coffey and Mr. Sinclair and the other gentlemen around the table, as I sat here, and have profited greatly by their description of the works in which they are engaged. I wonder if the Department of Labour has in mind the preparation of further supplements of this nature. If the officials of the Department are considering it, I would strongly urge that, if it is at all possible, we be furnished with copies of such publication as you may make of the minutes of this meeting.

Possibly the Department might care to interest itself in the further development of certain parts of the technique of employment operation, group insurance, co-partnership plans, profit-sharing and all the thousand and one of the various factors that go to make up the complete cycle of industrial relations. I am sure it would be of inestimable value. I would presume to say to you, Mr. Chairman, that undoubtedly the Department would find it of great value in its own work.

A question may arise from an employer as to what is the real value of spending a good deal of time, let us say, on the introduction of a new employee into the shop. You know, it is only a short time ago that employment managers were bragging that they hired two or three men a minute. Now the consensus is changed entirely and we are beginning to boast that it takes two or three hours, two or three days, or two or three weeks at times, properly to install a new man in his job. The more thought we give it, the more commonsense we see and the more dollars and cents of return in this proposition of adequately explaining the company and the organization to an applicant for a position, so that he begins to feel that he is a real human being with a soul and with creative instincts and is recognized as such, rather than a mere cog in a machine.

On the subject of labour turnover, I do not suppose any single question is more debated than the question of how it ought to be figured. Some people think now that we have had the wrong slant on that; that we are too much concerned with labour turnover and not enough with labour stability. After all, what do we care how many men we have to sift through to get a steady, desirable applicant? A high labour turnover may be a true indication of effective recruiting rather than proof of poor employment practice, as some people not conversant with the subject have come to believe.

So on this subject of publicity I would respectfully suggest, Mr. Chairman, that there might be a means provided—I would say, at first thought, by occasional supplements to your very valuable *LABOUR GAZETTE*—whereby there would be available for a rather broad general distribution the minutes of such meetings as this and the analyses and findings of the various investigations of the Department on the technique of personnel work.

Now, as to the value of that work specifically, I think it is idle to discuss it. It is a condition and not a theory that confronts us. We have had portrayed to us the change that has come about in industry, and in the larger establishments it is absolutely necessary that we provide an organized means of restoring that human relationship which has been lost in industry. Without it, I am quite certain, industry could not have been as well mobilized as it was during the war. We have had our lesson there. We had the crystallization of the national thought on just that subject. Now with the war ended—technically ended on this side of the line at least—we have come to a realization that as constructive peace measures, not only for international peace, but for industrial peace as well, these things which we began must be continued, must be carried to a greater refinement if we are eventually going to meet the present need of industry for harmony. We now realize that the interests of the employer and the employee are identical; that if the employees are to be certain of the maximum return for their labour, good working conditions, happiness and prosperity, it must all come from the prosperity of the business itself; and the prosperity of the business cannot be assured to the owner unless he has contented employees who are working with a real feeling that they are serving humanity well in their particular occupations and are happy and satisfied; and he can produce the best line of merchandise or the best quality of manufactured product only if he has the best working conditions and the best working force obtainable, working in a happy frame of mind.

THE CHAIRMAN: Thank you, Mr. Young. Mr. Ching, would you state your views?

MR. CHING: Mr. Chairman and gentlemen, Mr. Young, I think, has covered the ground quite thoroughly. It is very well recognized that in practically all of our large industries in the United States personnel work is necessary. The old haphazard way of having the foreman hire and discharge men was, to say the least, inefficient and in many instances inhuman. A foreman is in most instances not fitted by his training to select and hire men of the proper type from the broad viewpoint of the company.

Furthermore; without some organized personnel work in a plant of any size, you have men coming into a department and going out of that department as unfit, when as a matter of fact they would be eminently well fitted for some other department in the plant.

Another important thing in connection with personnel work, that Mr. Young has touched on, is getting the man to feel at home on his job. The employment or industrial relations manager should function in such a way as to make the man feel at home on his job. Assuming that you have the proper man selected for the job, it is necessary to properly introduce him to the job. This may be carried out in various ways; one of which is by having a training school for various operations within a plant. This is, in my opinion, very important in many plants.

Therefore personnel work, or employment management, or industrial relations management—by whatever name it is called—is becoming so much a part of the industrial organization of our large companies that we are no longer

discuss it as theory. Especially in council work, such as Mr. Frye has discussed, it is necessary to have a proper organization. And—if I may say here something which always makes me see red—we have had so many theorists getting into so-called personnel work, we have had so many persons using the idea of personnel work as a profession, that people have been getting away from the commonsense view of it. Personnel work is not a profession at all. To my mind it is a definite part of management. It is necessary to have a good commonsense man in charge of employment and allied matters in a plant. We have found it so from our experience, and I think that more and more of the large employers across the line are adopting the idea.

As to what the functions of such a man are, that of course depends a great deal on the type of plant. In some plants it may be that the manager or the superintendent may function in that capacity, but there must be someone who feels the responsibility of handling the human element, someone who has that job definitely placed on his shoulders.

THE CHAIRMAN: Answering the point raised by Mr. Young as to publication of our proceedings here—it is our definite thought that we should bring out in bulletin form, as a supplement to the LABOUR GAZETTE, a report of this conference; not necessarily a verbatim report, but one which would not overlook any important thought which has been contributed to our discussion.

In addition to the pamphlet of information on Joint Councils in Industry with which we have started, and of which Mr. Young has spoken so kindly, our thought was that we would follow up with a bulletin of a brief kind indicating the different types of councils in existence in Canada. We have, in fact, the material for it on the table here at present. Apart from that, we are at present giving attention to other closely allied subjects, and trust that our publications on these lines will be of assistance. There is a special body in Canada, a very representative body, working under the direction of the Research Council, which is going into the subject of industrial fatigue at the present time. The information which is contained in its reports will be made available to the widest possible extent. The subject of apprenticeship and industrial training is one on which I might speak, if I opened up on it, at some length, but I am not going to do so.

The subject of training for industry is one on which we think we could, perhaps with advantage, bring out a general bulletin. The subject of unemployment insurance is another one in which the Department of Labour is interesting itself from the study point of view. The question was mentioned in the Speech from the Throne. I am not going to dwell on it, but we are at the present time investigating the subject and there probably will be a conference on that special subject in the early future for purposes of information and exchange of views in a preliminary way before any policy is formulated.

MR. COFFEY: With regard to personnel work in a small plant, I have accompanying me at this conference Mr. Riggs, who is supervisor of our industrial relations department. Perhaps it would interest you to get an outline of the methods by which we handle our personnel.

THE CHAIRMAN: Certainly, we would be very glad to hear from Mr. Riggs.

MR. F. L. RIGGS: Mr. Chairman, some months ago our president was good enough to write for our book of information for employees an article on the history and aspirations of our plant, and I would just like to read a brief extract from his article:

“The company has always striven to conduct its affairs on sound, conserva-

tive business principles. It aims to produce goods which in quality and workmanship are unexcelled and which in service will be the best of their kind."

And again: "It strives to furnish steady employment to all members of its organization whether in factory, office or selling department, and it desires to advance always those in its service if their qualifications seem to warrant such advance."

And again: "It also earnestly requests the co-operation of each and every employee to preserve and enhance the good name and reputation of the company, thus promoting the interests of the company and the employees."

It was realized some time ago that the need and the value of a relations department was a fact and not a theory, and in establishing the department certain functions were set down. They come under the head of employment, factory training, adjustments, working conditions, health and safety, group relations, co-operative activities and general education. This is a rather ambitious programme, which was adopted about five months ago, and which we realize it will take a great deal of time to work out.

We feel that one of the chief values of the department is in the research work which it may do, because many of the schemes which have been attempted by larger companies are not applicable to the smaller company, and it is a very serious responsibility to discern between all of these schemes and to see that the schemes which we adopt conform to the ability of the company to finance them and to the needs of the workers, with particular reference to their sex, nationality, and the conditions of work.

In touching upon the employment of workers, we have adopted schemes which we think will add to the harmony of our relations. We engage the worker; we endeavour to classify him and by means of job analysis to place him in the work for which he is best fitted. On the other hand we supervise the discharge of employees and endeavour in preparing our turnover figures to have some comprehensive idea of what is in the mind of the man when he feels that he must leave us.

With respect to group relations, I have the honour to be the secretary on the management side of the factory council, and, as Mr. Coffey has pointed out, the management endeavours merely to encourage plant activities. The Sick Benefit Society, the Athletic Association and various other employee activities are handled by the employees without any interference from the management, we merely giving them such assistance as our facilities afford.

Under the head of co-operative activities we have included cafeteria, rest-room, legal aid, summer camps, transportation in the event of the city transportation facilities being tied up on account of strike, noon-hour concerts, etc.

The programme is an ambitious one, and we do not hope to put it all into effect for some time to come. We may find that conditions will make necessary certain changes in our plan, but we try to bear in mind always that any attempt which we make to increase the good relations between the company and the men must have something definite to which to tie. The productivity of the plant is the basis of all our activity, for we feel that unless our work does assist the production managers, it will of necessity fail in its purpose.

Recall of Employees' Representative.

The Chairman: In connection with the operation of joint councils, has any general attention been given to the question of the recall or changing of

employees' representatives on the joint councils? It is a matter which was brought to our attention at one stage, the question of individual workmen being perhaps no longer representative in their views or acceptable to the employees. Is it a question which any member of the conference would like to speak to?

MR. FRYE: We have that in our plan.

MR. YOUNG: We have it also.

MR. FRYE: We have provision in our plan that two-thirds of any group of voters that wish the recall of their employee representative may make a petition and forward that petition to the executive board of the employee representatives, which is their general chairman and the chairman of their committee. If the executive board of the employee representatives pass favourably on that, the recall goes into effect. This gives a little balance to any recall which may be started without the proper foundation or the proper information. In case the employees of any group send through a petition for recall, very often the chairman of the executive board can go into that and explain a number of things which the employees of that group did not understand when they started their recall proceedings.

DR. SINCLAIR: Mr Chairman, I rise just to make a suggestion. In the very admirable speech of the Minister this morning he suggested that probably it might be thought advisable as a result of our conference to put in some sort of resolution an expression of our views. I feel that there have been some things said by most of the gentlemen around the table that probably might be wisely put into some sort of statement as an expression of our views, and I would suggest that the following gentlemen retire to formulate some sort of statement that might be submitted to the conference. Then we could discuss it and adopt it, if it is found satisfactory, or amend it. I make the suggestion coupling with it the names of Mr. Coffey, Mr. Frye, Mr. Winter, Mr. Olzendam and Mr. Day.

THE CHAIRMAN: Is it your pleasure, then, to accept this suggestion?

The suggestion was adopted.

Effect of Joint Councils on Output.

MR. DAY: I would like to ask, Mr. Chairman, an expression from some of the gentlemen here as to whether or not any contribution has been made to production from the working of the councils. •

THE CHAIRMAN: As to the question of production, we have a brief reference to the subject in the case of certain Canadian companies in the departmental bulletin on joint councils in industry. It is very brief. It contains no figures. Does anyone desire to speak to that subject?

MR. WINTER: Mr. Chairman, although it would be a difficult matter in our business in any way to put in figures the additional production that we have obtained through the working out of the plant councils, still we are of the opinion that there has been some improvement in the production of our work owing to the fact that the plant councils have co-operated with the company in the way of agreeing to have less men on certain classes of work, and that those men have actually produced approximately the same as was produced by a greater number of men. Of course it is an economy that is pretty hard to define in dollars and cents or in actual production, in a company operating the

way the telephone company does, but we all believe that there has been some considerable saving owing to the operation of the plant councils.

MR. VALENTINE: Like Mr. Winter, I feel it is a difficult matter to estimate just what, if any, benefit you get in production through the working of industrial councils. It is true that in our factory we are now getting better results than we obtained a year or two ago, but of course it is not all due to industrial councils. However, I think that as far as our company is concerned, the industrial council has proven a means of contact with the management, and vice versa, and that it has resulted in a better understanding and a better feeling and undoubtedly has had a beneficial effect. As to just what percentage of improvement there has been, I would not like even to hazard a guess.

DR. SINCLAIR: I would like to add just one brief word. I may say generally that we have found that the industrial councils have added to the efficiency and to production; and in saying that, I agree with Mr. Valentine, who has added that we must not place it all to the credit of the industrial councils.

Resolutions Adopted by the Conference.

MR. COFFEY: Mr Chairman, I take pleasure in submitting the resolution that has been approved by the Resolution Committee. I will read it out.

RESOLVED, That the members of the group assembled in conference at the call of Hon. Gideon D. Robertson, Minister of Labour, do hereby express our sincere appreciation of the opportunity presented to get together for a frank discussion of human relationship in industry. The members of the conference believe that the broad-minded attitude of the Minister and members of the Department cannot fail to bring about a higher degree of confidence in the Department on the part of those who are engaged in industry, whether they be employer or employee, and will eventually bring about a better understanding of the problems of industry on the part of all.

It is the consensus of opinion expressed by the members of the conference that the work thus far conducted in the field of industrial councils justifies a continuation of the confidence of both employee and employer.

We would welcome further conferences along similar lines, to be called at the discretion of the Minister of Labour.

THE CHAIRMAN: Gentlemen, the subject is before you in the terms that you have heard read.

MR. WINTERS: I second the motion.

The motion was agreed to unanimously.

MR. SINCLAIR: We have already expressed our appreciation individually. I would like to move, so that it may be on the minutes: That we gentlemen assembled express our very sincere appreciation to the Minister and the Department of Labour, notably Mr. Brown, for their invitation and for the courtesies extended to us while in conference and also offer our congratulations in regard to the success of this conference.

MR. FRYE: I second the motion.

The motion was agreed to.

MR. MACLACHLAN: I do not want to make a formal resolution, but might I suggest that the plans of the various plants here represented be made appendices to the minutes of this meeting? We have been talking in regard to the benefits of these plans. Some of us know most of the plans, but I do not think any of us know them all in detail. In using these minutes as information I think it would be of great assistance to all of us and certainly to those outside, if the minutes are sent out in digest form, to have the detail plans as a guide to look at. It is merely a suggestion.

THE CHAIRMAN: In reply to your suggestion I might state that we have in course of preparation a bulletin dealing with the individual plans and the information will shortly be available, in the form of a separate publication.

Concluding Remarks of the Minister of Labour.

It was because of my having had the opportunity and pleasure of attending the function to which Mr. Olzendam referred that I conceived the idea of calling a meeting of this sort. I have never seen a more clear-cut demonstration of the usefulness of co-operation than was exemplified at the function referred to. There were 275 employees and officials of the Spanish River Pulp & Paper Company gathered together at their convention, which lasted, I think, two days. On the evening of the 7th the employees gave a ball, and I have no doubt the Company helped them. The President of the Company led the grand march with the wife of one of the employees.

I was not present on that occasion, but I was present at the banquet on the following evening, and the spirit of confidence and co-operation that was exemplified there was to me truly wonderful. It was while sitting at that table and incidentally learning that the Spanish River Pulp and Paper Company had a special man who had given his whole time and attention to this phase of their work, that the thought occurred to me that there are other companies in Canada who are doing the same thing, companies of which I know and there may be many of which I do not know. Before leaving the Soo, I talked with the management of the Spanish River Company and also of the Algoma Steel Corporation respecting the advisability of having a meeting at which the gentlemen engaged in industrial relations work for their respective employers might come together. I thought it would be interesting and profitable for them to be brought together and to get detailed information as to the policy and lines of action they have followed, knowing full well that such information would be invaluable to the Department, particularly to the officers of the department who are undertaking to develop and promote the industrial councils idea and to improve relations between capital and labour in Canada.

There are two points that I would like to dwell upon just briefly. One, mentioned by Mr. Stevenson, is this: whether or not it is desirable to work through or with organized labour where such exists. The British idea and the general policy adopted by the Whitley council plan it that both employers and workmen should be organized, because without that organization the employees do not speak with the authority with which they would naturally be vested if they were speaking on behalf of the members of a society. I do not think any employer in this country questions a man's right to be a member of any fraternal society or church, and I think there are very few who even ask an employee whether he is a member of a trades union or not; but I think there is a tendency on the part of some employers to refrain from dealing with their workmen through their unions. I have had some experience in connection with that work

during the past 25 years—it has been largely confined to railroad service—and it has shown that the officials of our large railways in Canada, and I think the same applies very largely to the United States, if they are asked, will say, as they have said to me on several occasions, that they would not have their employees unorganized if they could, that because of their employees being so widely distributed it is a physical impossibility for the executive or the management to be in anything like intimate touch or relationship with them and it is therefore necessary that some organized means be available whereby the grievances of the individual employees may be brought to the attention of the executive officials in a proper, systematic, and organized manner. That may not apply to so great an extent in an industry where the employees are congregated together in a small area; nevertheless, I fancy it is true that in an organization that employs more than 1,000 men it is not possible for the executive heads to be in close touch with the details as they affect each individual.

I believe that the fear of many employers—who perhaps, have not had extensive experience in operating with their labour in an organized way—is that there will be coercion on the part of the employees if they are solidly organized. I think the industrial councils plan of placing responsibility—perhaps small at first but gradually increasing—upon the workmen themselves, is a very good antidote to any tendency on the part of the workmen who are strongly organized to carry their organized power to unreasonable lengths. I think it is true that any man as responsibility comes to him is more prone to look at both sides of the sheet before deciding what he shall write upon it. If the industrial council plan had not been brought into existence I am very sure that to-day our industrial difficulties would be much greater than they are, and that because of it, thousands of men in this country and hundreds of thousands of men in other countries have had their viewpoints altered and have seen and realized the difficulties with which their employers have to contend, and that it has been a wholesome antidote.

But that is not all. The most important thing in any country is public opinion. As industry grew and as large aggregations of capital came into control of industry and thousands of workmen came under one management, more and more, by reason of the education that came to our people through the press, the view became prevalent that the manufacturer and employer were pirates exploiting labour. You know, and I know, that that is not so; nevertheless that view has grown in the public mind, and it is necessary and important to industry and to the future prosperity and welfare of the State itself that the fact and not the illusion should be the impression and conviction resting in the public mind. It is necessary, therefore, that through the instrumentality of the industrial council movement the employees should become convinced that the employers are playing the game fairly with the cards face up on the table; and they should be convinced that they are welcome to an understanding of all the details that it is essential for them to know, and should realize the problems facing industry and the employer. Then they will realize that their success is bound up with the success of the industry in which they are employed. Those thousands of employees will simply act as levellers in the larger load which moulds public opinion, and public opinion will be guided and moulded very largely by the expressions of view and the statements of employees themselves. The evidence that is given and the expressions of opinion that are uttered by the employees generally in industries, have a great influence upon the public opinion of the whole community, and an industry must have the commendation and the approval of the public generally, or it will find itself in difficulties.

I think it may be found a wise policy on the part of Canadian employers to deal with and through their employees who have decided to organize themselves in a systematic way; and where organizations among the workmen do not exist that fact should be no bar to the establishment of an industrial council. I believe that as a result of the very commendable work of the firms with which you have been associated, and through the efforts and such assistance as the Department of Labour has been able to give in extending and promoting the thought in the minds of the other employers in Canada, a campaign of education has been launched that will inspire confidence in the minds of thousands and hundreds of thousands of workmen and other citizens of the country that will redound to the ultimate benefit and profit not only of the industries and the workmen employed therein, but to the happiness and prosperity of the whole community. It is perhaps unbecoming of me to suggest to you, gentlemen, anything, concerning education along this line, but it seems to me reasonably consistent to ask if you could not circulate amongst your fellow employers throughout Canada, who have not yet given close study to this question, the plans that you have adopted and the results of your experience so far as they have proved beneficial. It would be rendering a public service to industry and to Canada.

Please be assured that it is not only the duty of the Department of Labour but our pleasure to do anything we can to aid in the furtherance of this important work, and that nothing that any employer in Canada, or that any worker or organization of workers may ask of us in the way of information, will be refused. The Department of Labour is the servant of the people of Canada, regardless of whether they be employers or workmen.

We have on many occasions received valuable assistance and information from other countries. We keep in particularly close touch with the Departments of Labour at Washington and London, and we will be glad to contribute from time to time such information as may seem to us to be useful to you and to labour in Canada.

I hope that as a result of our gathering together here on this occasion there may be a substantial extension in this good work throughout the country. And again, may I say that I feel doubly indebted to Mr. Ching and Mr. Young, and to their employers, for their kindness and for the valuable information which they have been good enough to give us. Mr. Quirk and Mr. Stevenson will be for some time to come engaged in giving special attention to this work—to visiting employers or employees who may express a desire concerning industrial councils; they will lend any assistance that they can in the promotion of this most commendable spirit of co-operation and usefulness. Mr. Brown will be at headquarters here assisted by Mr. Hereford who is an experienced industrial engineer; Mr. Brown has been an official of the department for many years and will give special attention to the work at this end. Your continued co-operation is respectfully solicited and earnestly desired, and our services at all times are at your disposal.

May I ask you gentlemen to be good enough to convey the appreciation of the Department of Labour and of the Government to the executives who preside over and govern the destinies of the various institutions and industries with which you are connected and assure them of our thanks for their action in sending you here, and for your coming, and for the co-operation which they, through you, have given and are giving to us.

May I also say this, because it is true? Coming from the ranks of labour, and having been for a number of years an international officer of one of our big international organizations, I felt very reluctant in assuming the administration of the affairs of the Department of Labour, thinking that the employers generally, who did not know me might feel that their interests were prejudiced by reason of a labour man undertaking to administer that Department. My experience has been entirely to the contrary. Whatever little success and progress the Department may have enjoyed during the past couple of years, since I have been connected with it, has been very largely due to the fact that I have had apparently the undivided confidence and support and co-operation of employers generally in Canada. The membership, individually and collectively, of the Canadian Manufacturers' Association and organizations of employers subsidiary to that, have one and all shown a keen desire to play the game fairly and to co-operate with the Department in its efforts to deal honestly by all men. Words can scarcely express the appreciation and the gratitude that I feel because this is the fact, and, while one comes in contact with very many experiences that are depressing and discouraging, that thought or that feeling has been a source of encouragement to me continually. So long as it happens to be our fate to work together in the future, as we have done in the past, I trust that the same cordial relations and the spirit of confidence that has pervaded our associations up to now may continue and grow and that we may have in reality an industrial council in which employers and workmen and the Department of Labour may feel that this is to be a family compact bent upon the same aim and for the same purpose.

THE CHAIRMAN: Any further remarks now that anyone wishes to make? If not, I am going to declare the conference adjourned until our next meeting.

The conference adjourned.

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